



**Post Office Box 9010 Addison, Texas  
75001-9010  
5300 Belt Line Road  
(972) 450-7000 Fax: (972) 450-7043**

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## **AGENDA**

### **REGULAR MEETING OF THE CITY COUNCIL**

**AND / OR**

### **WORK SESSION OF THE CITY COUNCIL**

**5:30 PM**

**October 28, 2014**

### **ADDISON TOWN HALL**

**5300 BELT LINE RD., DALLAS, TX 75254**

**5:30PM WORK SESSION**

**7:30PM REGULAR MEETING**

**(REVISED)**

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### **WORK SESSION**

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**WS1** Presentation and discussion regarding brush and bulky waste procedures and policy.

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**WS2** Presentation and discussion regarding boot camp style programs and fitness and recreation classes in selected Addison locations and parks.

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**WS3** Discussion regarding the World Affairs Council of Dallas/Fort Worth Fiscal Year 2014- 2015 Scope of Services.

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WS4 Update on and discussion regarding Visit Addison Offices and site.

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## **REGULAR MEETING**

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### **Pledge of Allegiance**

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R1 Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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R2 Consent Agenda.

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R2a Approval of the Minutes for the October 14, 2014 City Council Meeting and Work Session.

#### **RECOMMENDATION:**

Administration recommends approval.

#### **Attachments**

10-14-2014 Minutes

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R2b Approval of an award of bid to BMW Motorcycles of North Dallas in the amount of \$50,013.84 for the purchase of (2) 2015 BMW Police Motorcycles.

#### **RECOMMENDATION:**

Administration recommends approval.

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R2c Approval of an Ordinance amending Section 82-80.1 of the Town Code of Ordinances regarding payment of a delinquent water and sewer bill and Section 82-80.3 (b), (c) and (g) of the Code regarding water and sewer utility service termination and restoration procedures.

#### **RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Disconnect Fee Language  
Utility Disconnect Ordinance

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- R2d Approval of and authorizing the City Manager to execute a contract with Shiroma Southwest for professional services to perform interim marketing and public communications functions for the Town of Addison.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Letter of Agreement

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- R2e Approval of and authorizing the City Manager to execute a contract with Shiroma Southwest for public relations and media publicity programs to promote the Town of Addison's events and selected special projects.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Letter of Agreement 2014- 2015

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- R2f Approval of and authorizing the City Manager to execute a contract with Rodney Hand & Associates Marketing Communications, LP for the production of Addison the Magazine of the North Dallas Corridor and Addison and The North Dallas Corridor Visitors Guide in an amount not to exceed \$111,000.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Addison Magazine Agreement  
Exhibit B

- 
- R2g Approval of and authorizing the City Manager to execute a contract with Cavanaugh Flight Museum Sponsorship for marketing support in an amount not to exceed \$50,000.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Grant Request 2015

- 
- R2h Approval of a resolution authorizing the City Manager to accept and enter into a \$50,000 RAMP (Routine Airport Maintenance Program) Grant Agreement between the Texas Department of Transportation (TxDOT) and the Town of Addison, for airport improvements at Addison Airport.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

RAMP Resolution

- 
- R2i Approval of and authorizing the City Manager to execute a purchase agreement for a Utility and Sidewalk easement at 3939 Belt Line Road in the amount of \$8,013.00.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Property Counter Offer

- 
- R2j Approval of and authorizing the City Manager to execute with the World Affairs Council of Dallas/Fort Worth for consulting services, subject to the final review/approval of the City Manager and City Attorney.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

World Affairs Council Agreement

World Affairs Council

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Regular Items

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R3      Presentation and proclamation recognizing November Pulmonary Hypertension Month.

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R4      Presentation and proclamation honoring Terry Martin, Producing Artistic Director of WaterTower Theatre.

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R5      Presentation from Kanter Financial Forensics, LLC and discussion regarding the Town's financial and accounting practices.

**Attachments**

Addison Report

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R6      Discussion and take action regarding approval of an agreement with Kanter Financial Forensics, LLC for the review of the Town's financial and accounting practices.

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R7      Discussion, consider and take action regarding the approval of and authorizing the City Manager to execute a Work Authorization #2 under the Master Professional Services Agreement with Gradient Solutions Corporation for implementation of data analysis and alerts associated with the Town's purchasing card program.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Gradient Work Authorization No 2

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- R8 Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Tyler Technologies for the purchase and installation of a ERP (Enterprise Resource Planning) system in the amount of \$1,530,908 subject to the final review and approval of the City Manager and City Attorney.

**RECOMMENDATION:**

Administration recommends approval.

**Attachments**

Comparison between SaaS and Hosted Models

- 
- R9 Discussion, consider and take action approving and authorizing the City Manager to execute a Professional Services Contract with M.E.P. Consulting Engineers, Inc. (MEPCE) for the Town of Addison's Facilities Assessment, Facility Capital Improvement Plan and Operations & Maintenance plan in an amount not to exceed \$65,000.

**RECOMMENDATION:**

Administration recommends approval.

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- R10 Presentation of the current status of the Instrument Landing System at Addison Airport and the redevelopment of the Airport's Southeast Quadrant.

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- R11 Discussion and update regarding Extended Stay Hotels in Addison.

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Executive Session

- 
- ES1 Closed (Executive) session of the Addison City Council pursuant to Section 551.074, Texas Government Code, to deliberate the evaluation of the City Manager.

- 
- ES2 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with

Chapter 551, Tex. Gov. Code, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

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Regular Items Continued

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- R12      Discussion, consider and take action regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.
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Adjourn Meeting

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Posted:  
Matthew McCombs, October 24, 2014, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.  
PLEASE CALL (972) 450-7090 AT LEAST  
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

**Combined Meeting****WS1****Meeting Date:** 10/28/2014**Council Goals:** Mindful stewardship of Town Resources.

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**AGENDA CAPTION:**

Presentation and discussion regarding brush and bulky waste procedures and policy.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Staff will provide information related to the brush and bulky waste procedures.

**RECOMMENDATION:**

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## **Combined Meeting**

**WS2**

**Meeting Date:** 10/28/2014

**Council Goals:** Increase Revenues by at least 10% while holding the tax rate to \$0.58 or less and reserves to at least 30%.  
Create raving fans of the Addison Experience.  
Mindful stewardship of Town Resources.  
Explore new/other revenue sources

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### **AGENDA CAPTION:**

Presentation and discussion regarding boot camp style programs and fitness and recreation classes in selected Addison locations and parks.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

Camp Gladiator holds 44 sessions per month in Addison Circle Park. There are 11 sessions per week, Monday through Saturday, and the sessions are held in the early morning 5:15 - 6:15 a.m. and 6:00 p.m. Camps are also held in Vitruvian Park, however, they typically use the fields owned by UDR outside the park boundary. During the inclement weather they will use the paved area in the park underneath the Ponte Bridge.

Addison is one of the few cities that do not charge a fee for using the parks. Most of all surrounding cities, including Dallas, charge a standard 15% fee for private camps.

### **RECOMMENDATION:**

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**Combined Meeting****WS3****Meeting Date:** 10/28/2014

**Council Goals:** Create raving fans of the Addison Experience.  
Maintain and enhance our unique culture of creativity and innovation.  
Establish a Non-Profit Funding Strategy

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**AGENDA CAPTION:**

Discussion regarding the World Affairs Council of Dallas/Fort Worth Fiscal Year 2014- 2015 Scope of Services.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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## **Combined Meeting**

**WS4**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Look for Operational Efficiencies without cutting services

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### **AGENDA CAPTION:**

Update on and discussion regarding Visit Addison Offices and site.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

N/A

### **RECOMMENDATION:**

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**Combined Meeting**

**R2a**

**Meeting Date:** 10/28/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Approval of the Minutes for the October 14, 2014 City Council Meeting and Work Session.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

10-14-2014 Minutes

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# **DRAFT**

## **OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION**

October 14, 2014

6:00 PM

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session I 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Meier; Moore

## **OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL REGULAR MEETING**

October 14, 2014

6:00 PM

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session I 7:30 PM Regular Agenda

Posted by: Matthew McCombs, October 12, 2014, 5:00pm

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### **WORK SESSION**

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WS1 Presentation and discussion regarding Texas Municipal Retirement System and the cost of living adjustment for Town of Addison Retirees.

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WS2 Presentation and discussion of the Athletic Club Master Plan process (Barker Rinker Seacat Architecture).

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WS3 Discussion regarding the City Attorney position, appointment, and appointment process.

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### **REGULAR MEETING**

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## Pledge of Allegiance

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Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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Consent Agenda.

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- R2a Approval of the Minutes for the September 23, 2014 City Council Meeting and Work Session.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2b Approval of and authorizing the City Manager to execute a contract with Dallas County Health Human Services for certain public health services.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2c Approval of and authorizing the City Manager to execute a contract with Trinity River Authority for Environmental Protection Agency (EPA) required monitoring of certain industries.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,

Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2d Approval of and authorizing the City Manager to execute a Professional Services Contract with Barker Rinker Seacat Architecture for the Addison Athletic Club Master Plan in the amount of \$34,950.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2e Approval of an ordinance providing for increased prior and current service annuities under the act governing the Texas Municipal Retirement system for retiree and beneficiaries of deceased retirees of the Town of Addison.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2f Approval of (i) Contracts for Services between the Town of Addison and the following non-profit agencies: Metrocrest Community Clinic, Metrocrest Chamber of Commerce, The Family Place, Metrocrest Services, CONTACT Crisis Line, United Basketball League - Texas Wranglers, WaterTower Theatre, and Addison Arbor Foundation, and (ii) an Agreement for the Use of the Addison Theatre Centre between the Town of Addison and Water Tower Theatre, subject to the final review and approval of the City Manager and City Attorney.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2g Approval of and authorizing the City Manager to execute a contract for services with Launchability, subject to the final review and approval of the City Manager and City Attorney.

RECOMMENDATION:

Administration recommends continuing funding at the \$5,000 level as budgeted, and amending the contract to reflect the changed scope of service.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2h Approval of the purchase of (1) 2015 Sutphen SL-75 Quint Fire Apparatus, (1) 2015 Chevrolet 1500 Pickup, (2) 2015 Ford 150 Pickups, (1) Ford F250 Animal Control Service Truck, (2) 1Ton Service Trucks, (1) 2015 Case 580 Backhoe and (2) Snow Blade Attachments under the Town's Inter-local Agreement with the Texas Local Government Purchasing Cooperative - known as BuyBoard and the Houston Galveston Area Council of Government known as HGAC in the amount of \$1,052,128.65.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2i Approval of an ordinance amending the Town's investment policy set forth in Chapter 2, Article IV, Division 3 of the Town's Code of Ordinances.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2j Approval of a resolution adopting the Town of Addison Investment Strategy for FY 2015.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R2k Approval of an ordinance raising the deposit for water loan meters, also known as construction meters.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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Regular Items

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- R3 Presentation and proclamation recognizing Domestic Violence Awareness Month.

Jan Langbein, CEO of Genesis, spoke and accepted the proclamation.

Ron Davis, Chief of Police, and Passion Hayes, Director of Human Resources, also spoke regarding this item.

There was no action taken on this item.

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- R4 Presentation and update regarding the Dallas Independent School District- Destination 2020.

Mike Miles, DISD Superintendent, and Miguel Solis, DISD Board Member, spoke regarding this item.

There was no action taken on this item.

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- R5 **PUBLIC HEARING** Case 1703-SUP/The Lazy Dog. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 500, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Golden Property Development LLC represented by Mr. Jared Taylor.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on September 25, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 5100 Belt Line Road, Suite 500, which property is currently zoned PD, Planned Development, through Ordinance 012-001, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Voting Aye: Doherty, Groce, Oliver, Robinson, Wheeler

Voting Nay: Smith

Absent: Hughes

**RECOMMENDATION:**

Administration recommends approval.

Lisa Pyles, Director of Infrastructure and Development Services, and Lea Dunn, City Manager, spoke regarding this item.

Jared Taylor and Dewayne Mitchell, representatives of Golden Property Development LLC, also spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by DeFrancisco to approve, as submitted,  
Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier

NAY: Moore

Passed

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- R6 **PUBLIC HEARING** Case 1704-SUP/ZuZu's Handmade Mexican Food. Public hearing, discussion, consider and take action regarding an ordinance changing the zoning on property located at 4866 Belt Line Road, which property is currently zoned LR, Local Retail, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a bar, on application from La Salsa Restaurant, Inc. represented by Mr. Roy Kindred of R. E. Kindred & Associates.

**COMMISSION FINDINGS:**

The Addison Planning and Zoning Commission, meeting in regular session on September 25, 2014, voted to recommend approval of an ordinance changing the zoning on property located at 4866 Belt Line Road, which property is currently zoned LR, Local Retail, by amending a Special Use Permit for a restaurant and by amending a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only in order to add a bar, subject to the following condition:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.

Voting Aye: Doherty, Groce, Oliver, Robinson, Smith, Wheeler

Voting Nay: none

Absent: Hughes

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure and Development Services, spoke regarding this item.

Roy Kindred, representative of R.E. Kindred & Associates, spoke regarding this item.

There were no individuals who spoke at the public hearing.

Motion made by Moore to approve, as submitted,  
Seconded by Carpenter

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R7 Presentation, discussion, consider and take action authorizing the City Manager to execute Change Order No. 1 for Belt Line Road Electrical Underground to increase the number of contract days up to 6 months additional time with the understanding that John Burns Construction Co. of Texas, Inc. agrees to provide a minimum of two crews throughout the duration of the project after March 18, 2015.

RECOMMENDATION:

Administration recommends approval.

Lisa Pyles, Director of Infrastructure and Development Services, John Hill, City Attorney, and Lea Dunn, City Manager, spoke regarding this item.

Motion made by Clemens to approve, the Change Order No. 1 for Belt Line Road Electrical Underground to increase the number of contract days up to 180 days, subject to City Manager and City Attorney approval,

Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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- R8 Presentation, discussion and take action regarding a License Agreement for use with contractors providing outdoor fee based boot camp style programs and fitness and recreation classes in selected Addison locations and parks.

**RECOMMENDATION:**

Administration recommends approval.

Slade Strickland, Director of Parks and Recreation, and Lea Dunn, City Manager, spoke regarding this item.

Motion made by Carpenter to table the item to the October 28th Work Session,

Seconded by Clemens

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

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- R9 Discussion, consider and take action regarding approval of the painting plan for Wheeler Bridge.

**RECOMMENDATION:**

Administration recommends approval of the gray railing and blue bridge structure scheme.

Slade Strickland, Director of Parks and Recreation, spoke regarding this item.

Motion made by Moore to approve the painting plan consisting of the blue railing and blue bridge structure scheme,

Seconded by Clemens

**Voting** AYE: Arfsten, Clemens, Moore

NAY: Carpenter, DeFrancisco, Heape, Meier

Failed

Motion made by Carpenter to approve the painting plan consisting of the gray railing and blue bridge structure scheme,

Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, DeFrancisco, Heape, Meier

NAY: Clemens, Moore

Passed

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- R10 Presentation of Texas Comptroller Leadership PLATINUM Circle Award for financial transparency for the fiscal year beginning October 1, 2013.

Eric Cannon, Chief Financial Officer, spoke and accepted the Platinum Circle Award.

There was no action taken on this item.

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- R11 Presentation of the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013.

Eric Cannon, Chief Financial Officer, spoke and accepted the Certificate of Achievement for Excellence in Financial Reporting.

There was no action taken on this item.

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- R12 Discussion and update regarding the upcoming trip to the NBAA2014- Business Aviation Convention Exhibition.

There was no action taken on this item.

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- R13 Discussion, consider and take action regarding the City Attorney position, appointment, and appointment process, including approving and authorizing the City Manager to execute an agreement for City Attorney search services.

Motion made by Moore to proceed with SGR as the search firm for the City Attorney search services,

Seconded by Arfsten

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Meier, Moore

Passed

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- R14 Discussion, consider and take action authorizing Council and Staff to pursue options for mass transit and transportation alternatives.

Motion made by Meier to approve the endorsements to pursue alternatives,

Seconded by Carpenter

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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Executive Session

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- ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to wind turbines on the water tower located at the intersection of Arapaho Road and Surveyor Boulevard.

The City Council entered into Executive Session at 9:00 pm.  
The City Council closed Executive Session at 9:45 pm.

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Regular Items Continued

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- R15 Discussion and take action regarding wind turbines on the water tower located at the intersection of Arapaho Road and Surveyor Boulevard.

Motion made by Clemens to approve a consultant and price, as discussed in the Executive Session,

Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Meier, Moore

Passed

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Adjourn Meeting

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\_\_\_\_\_  
Mayor-Todd Meier

Attest:

\_\_\_\_\_  
City Secretary-Matthew McCombs

## **Combined Meeting**

**R2b**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Maintain and enhance our unique culture of creativity and innovation.  
Brand Protection and Enhancement  
Enhance Public Safety

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### **AGENDA CAPTION:**

Approval of an award of bid to BMW Motorcycles of North Dallas in the amount of \$50,013.84 for the purchase of (2) 2015 BMW Police Motorcycles.

### **FINANCIAL IMPACT:**

Funds Available: Capital Equipment Replacement Fund (CERF)

Cost: \$50,013.84

Budgeted Amount: \$62,000.00

### **BACKGROUND:**

The Town has 5 Police motorcycles assigned to the traffic division. Two of these are 2009 BMW Police motorcycles that have been in service for six-years and have reached the end of their useful life and are ready to be retired to auction. The other three are 2011 model year BMW Police motorcycles. The BMW motorcycles have performed well, offer additional safety and performance features, and operate with minimal maintenance required.

The Purchasing Division posted this bid through BidSync with 26 vendors viewing the bid and 4 vendors requesting specifications. Four bids were received. The three lowest bids did not meet our specifications. The bid meeting our specifications is \$507.84 higher than the lowest bid and meets our specifications.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Combined Meeting**

**R2c**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Look for Operational Efficiencies without cutting services  
Identify opportunities for improved governance

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### **AGENDA CAPTION:**

Approval of an Ordinance amending Section 82-80.1 of the Town Code of Ordinances regarding payment of a delinquent water and sewer bill and Section 82-80.3 (b), (c) and (g) of the Code regarding water and sewer utility service termination and restoration procedures.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

This modified disconnect and reconnect policy and fee structure will allow the Town of Addison to conserve employee hours spent in taking the time to disconnect water services of both residential and business customers, by clarifying billing periods and raising reconnect fees. This change also reflects the codes and regulations for the utility customers of surrounding municipalities.

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

Disconnect Fee Language

Utility Disconnect Ordinance

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## Sec. 82-76. Sewage rates.

The customer classifications, minimum bills, and consumption charges shall be as follows:

(1)

*Sewer minimum bills.* Minimum monthly bills shall be applied to all customers based upon customer classification and shall include an allowance for volume based upon water consumed as follows:

Customer Classification:	Minimum Monthly Bill	Volume Included (Gallons)
Single-Family Residential	\$13.34	2,000
Multifamily Residential Large (meter size greater than or equal to two inches)	166.28	37,000
Multifamily Residential Small (meter size less than two inches)	70.15	15,000
Schools	92.00	20,000
Municipal	48.30	10,000
Commercial Large (meter size greater than or equal to two inches)	166.28	37,000
Commercial Small (meter size less than two inches)	26.45	5,000
Industrial Large (meter size greater than or equal to two inches)	166.28	37,000
Industrial Small (meter size less than two inches)	17.71	3,000

Hotel/Motel	441.58	100,000
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(2)

*Sewer volume rate.* All volume which exceeds the amount allowed in the minimum bill shall be charged at a rate of \$4.37 per 1,000 gallons of water consumed for all customer classifications.

(3)

*Maximum residential sewer bill.* Single-family residential customers shall not be charged for volume which exceeds 8,000 gallons of water consumed.

(4)

*Separately metered irrigation or air-conditioning uses of water.* No sewer charges shall be levied for separately metered water that is used for irrigation sprinklers or for air-conditioning cooling towers where none of the water is returned to the sewage system.

(5)

*Roof-top air-conditioning uses that are not separately metered.* Customers with cooling tower units for air-conditioning uses that are not separately metered shall be billed for sewer services based on water consumption up to a maximum amount computed as the average of the three preceding winter billing months of December, January, February. The re-computed winter average will be effective as of October 1996 based on the 1995—96 winter months and for the March monthly billings in 1997 and thereafter.

In the event the customer believes their business contributes less sewer volume than those amounts subject to the calculation of maximum of the average water consumption for the three preceding billing winter months, they may, at their expense and under city specifications, construct a separate water line and water meter for air-conditioning cooling tower purposes or, alternatively, construct a separate sewer meter to determine the exact amount of sewage discharged. In the case of a separate water line and water meter, there shall be no sewage charges for the water consumed. In the case of a separate sewer meter, sewage rates shall be charged based upon the actual sewage flow.

(Ord. No. 621, § 1, 9-23-80; Ord. No. 813, § 1, 7-13-82; Code 1982, § 18-76; Ord. No. 083-063, § 1, 10-11-83; Ord. No. 087-57, § 1, 9-22-87; Ord. No. 088-050, § 1, 11-8-88; Ord. No. 093-024, § 1, 4-13-93; Ord. No. 093-056, § 1, 9-28-93; Ord. No. 096-049, § 1, 9-24-96; Ord. No. 099-043, § 1, 9-28-99; Ord. No. 003-033, § 1A.1, 9-23-03; Ord. No. 005-055, § 1, 10-11-05; Ord. No. 008-033, § 1A.1, 9-9-08; Ord. No. 010-033, § 1A., 9-21-10; Ord. No. 011-059, § 1A.1, 9-13-11; Ord. No. 013-036, § 1A.1, 9-10-13)

## Sec. 82-77. Water rates.

The customer classifications, minimum bills, and consumption charges shall be as follows:

(1)

*Water minimum bills.* Minimum monthly bills shall be applied to all customers based upon customer classification and shall include an allowance for volume based upon water consumed as follows:

Customer Classification:	Minimum Monthly Bill	Volume Included (Gallons)
Single-Family Residential	\$10.66	2,000
Multifamily Residential Large (meter size greater than or equal to two inches)	92.13	37,000
Multifamily Residential Small (meter size less than two inches)	40.92	15,000
Schools	52.55	20,000
Municipal	29.28	10,000
Commercial Large (meter size greater than or equal to two inches)	92.13	37,000
Commercial Small (meter size less than two inches)	17.64	5,000
Industrial Large (meter size greater than or equal to two inches)	92.13	37,000
Industrial Small (meter size less than two inches)	12.98	3,000
Hotel/Motel	238.77	100,000
Irrigation Large (meter size greater than or equal to two inches)	190.71	40,000

Irrigation Small (meter size less than two inches)	75.27	15,000
Fire Meters	24.62	8,000

(2)

*Water volume rate.* All volume which exceeds the amount allowed in the minimum bill shall be charged at a rate of \$2.33 per 1,000 gallons of water consumed for all customer classifications, with the exceptions as noted in subsection (3) below.

(3)

*Water conservation volume rate.* Single-family residential customers shall be charged a rate of \$4.62 per 1,000 gallons of water for all water consumed in excess of 15,000 gallons. Irrigation (large and small) customers shall be charged for all volume which exceeds the amount allowed in the minimum bill at a rate of \$4.62 per 1,000 gallons of water consumed.

(Ord. No. 621, § 2, 9-23-80; Ord. No. 813, § 2, 7-13-82; Code 1982, § 18-77; Ord. No. 083-063, § 1, 10-11-83; Ord. No. 087-57, § 2, 9-22-87; Ord. No. 088-050, § 2, 11-8-88; Ord. No. 089-002, § 1, 1-10-89; Ord. No. 093-024, § 2, 4-13-93; Ord. No. 093-056, § 2, 9-28-93; Ord. No. 096-049, § 2, 9-24-97; Ord. No. 099-043, § 2, 9-28-99; Ord. No. 003-033, § 1A.2, 9-23-03; Ord. No. 005-055, § 2, 10-11-05; Ord. No. 008-033, § 1.A.2, 9-9-08; Ord. No. 010-033, § 1.A., 9-21-10; Ord. No. 011-059, § 1.A.2, 9-13-11; Ord. No. 013-036, § 1.A.2, 9-10-13)

## **Sec. 82-78. Pass-through rate component.**

In addition to the water and sewer rates established in sections [82-76](#) and [82-77](#) of this chapter, there may be added to all customers' bills a pass-through component which will be distinguished separately on the utility bill. The pass-through component shall reflect changes in the costs of water purchases, sewer treatment and transportation services which are paid by the town to other governmental entities. The pass-through component may be adjusted monthly as determined by the director and passed automatically to the customers without council approval. Only changes in the costs of water purchases, sewer treatment and transportation services may be automatically passed through to the customers. Changes to any other costs of providing water and sewer services to town customers must be recovered through water and sewer rates approved and adopted by the council.

(Code 1982, § 18-78; Ord. No. 088-050, § 3, 11-8-88)

## **Sec. 82-79. Definitions.**

The following definitions apply in the construction of this chapter:

*Applicant:* A person who makes application to receive a service from the department.

*City or Town:* Town of Addison, Texas.

*Commercial customer:* Nonresidential consumer who receives service from the city under this chapter. Such term includes, but is not limited to, all businesses, restaurants, hospitals, apartments, etc.

*Commercial large classification:* Nonresidential accounts which have meters two inches or greater in size. Such accounts include restaurants, retail establishments, professional offices, office complexes, and other commercial endeavors.

*Commercial small classification:* Nonresidential accounts which have meters less than two inches in size. Such accounts include restaurants, retail establishments, professional offices, office complexes, and other commercial endeavors.

*Consumer or customer:* A person who:

- (a)
  - Has an account in his name with the department for a service;
- (b)
  - Has made application for a service, and the service has been provided or made available by the department at the location specified in the application;
  - or
- (c)
  - Uses, receives or benefits from service, even though no account for service may exist or no application for service may have been made.

*Department:* The department of financial and strategic services.

*Director:* The director of the department or his authorized assistants, representatives and designees.

*Fire meter classification:* Accounts which have been established for the sole purpose of monitoring water flow for building fire suppression systems.

*Hotel/motel classification:* All hotels and motels as defined in Chapter 351 of the Tax Code, Vernon's Annotated Civil Statutes.

*Industrial large classification:* Accounts which have meters two inches or greater in size and which manufacture products on site.

*Multi-family residential classification:* Accounts in this classification are residential units which are metered collectively under one account (apartment complexes).

*Municipal/schools classification:* Accounts which have been established by a municipality, county, independent school district, or a nonprofit educational corporation.

*Permittee:* A person granted a permit under this chapter.

*Person:* An individual, private or public corporation, partnership, association, governmental entity, firm, industry or other entity.

*Property owner:* The record title holder of premises who receives service from the city.

*Residential customer:* Owners or occupiers of single-family dwellings who receive service from the city under this chapter. Such term includes individually metered homes, townhomes, condominiums and duplexes.

*Service:* All water and water-related service provided for the use and benefit of persons inside and outside the city through the operations and facilities of the department, including, but not limited to:

- (a) Supply of treated water;
- (b) Wastewater collection, treatment and disposal;
- (c) Building and extension of service mains;
- (d) Providing of meters and service connection to property;
- (e) Discontinuance, restoration or repair of service;
- (f) Issuance and use of permits;
- (g) Extension or replacement of service mains for which pro rata or other assessments are charged;
- (h) Collections of rates or fees for service; and
- (i) Other department activities for the benefit of the general public authorized under this chapter.

*Single-family residential classification:* Accounts in this classification are detached residential units which are individually metered by the town and include homes, townhomes, condominiums, and duplexes.

*Sprinkler large classification:* Accounts which have meters two inches or greater in size and have been established for the sole purpose of providing water for irrigation of lawns and landscaped areas.

*Sprinkler small classification:* Accounts which have meters less than two inches in size and have been established for the sole purpose of providing water for irrigation of lawns and landscaped areas.

(Code 1982, § 18-79; Ord. No. 087-072, § 3, 10-27-87; Ord. No. 088-050, § 4, 11-8-88; Ord. No. 089-002, § 2, 1-10-89; Ord. No. 006-019, § 1.A.1., 4-11-06)

## **Sec. 82-79.1. Application for service.**

(a)

*Application required.* A person shall not use a service without first making the proper application for the service with the director. The application must be made on forms provided by the director.

(b)

*Contract.* The application constitutes a contract to pay all charges for service and to abide by all provisions of this chapter, the provisions of this Code and other local, state and federal laws relating to the service.

(c)

*Accurate information.* An applicant shall furnish proper identification and correct information when applying for service. A driver's license or state-issued identification will be required to establish service. If information is not furnished or is false, the application may be denied and service, when provided, may be discontinued. A person commits an offense if he knowingly makes a false statement on an application for service under this chapter.

(d)

*Use without application.* A person who occupies premises and uses service without making application is responsible for all water used from the date of the last meter reading previous to that person occupying the premises. If the person is a tenant and the owner of the premises has failed to give the notice required in section 82-82.1, then the owner is jointly and severally responsible with the tenant for the charges.

(e)

*No new applications accepted.* Should water, sewer or sanitation (refuse collection) service be discontinued to any premises because of violations of any of the provisions of this division number 087-072 or this Code, no new application shall be

accepted from any person to continue service to such premises under any other name so long as the premises are in the control of the original customer, whether owner or occupier, until all penalties, bills and damages due to the department have been paid in full or until agreement relating to payment thereof has been reached between the customer and the department.

(Code 1982, § 18-79.1; Ord. No. 087-072, § 4, 10-27-87; Ord. No. 008-015, § 1(A), 5-13-08)

## **Sec. 82-79.2. Security deposits.**

(a)

*From whom required.* All users or consumers of services under this chapter are required to submit a security deposit to the director in the amounts herein described at section 82-79.3. Such deposit in one of the forms specified in paragraph (b) herein is due when the application for service is made.

(b)

*Form of security.* The applicant for service must submit a security deposit in one of the following forms:

(1)

Cash;

(2)

Surety bond;

(3)

Other equivalent security approved by the director.

(c)

*Failure to provide security.* The director may discontinue service if a person fails to:

(1)

Make a required security deposit with his application; or

(2)

Increase the amount of his security deposit after being notified that an increase is required.

(Code 1982, § 18-79.2; Ord. No. 087-072, § 4, 10-27-87)

## **Sec. 82-79.3. Security deposit amounts.**

(a)

Applicants for water and/or sewer service shall be required to pay to the town a security deposit to guarantee all amounts which may become due to the town for water and/or sewer service.

(b)

The minimum deposit amount shall depend on the applicant's customer classification and shall be as follows:

Customer classification:	Deposit amount:
Single-family residential	\$50.00
Multifamily residential	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$1,500.00
School	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$500.00
Commercial large (meter size greater than or equal to two inches)	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$700.00
Commercial small (meter size less than two inches)	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$150.00
Industrial large (meter size greater than or equal to two inches)	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$500.00
Industrial small (meter size less than two inches)	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$100.00
Hotel/motel	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$2,000.00
Sprinkler large (meter size greater than or equal to two inches)	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than \$500.00
Sprinkler small (meter size less than	An amount equivalent to two times the average estimated monthly bill for the past 12 months, but not an amount less than

two inches)	\$200.00
Fire	\$50.00

(c)

Commercial customers regardless of previous service must pay the deposits listed above for any new accounts.

(d)

Residential customers who currently have service but are locating to another location within the town may transfer their deposit provided their account is in good standing.

(e)

Customers will be grandfathered within the deposit levels required when they applied for service except as provided for within paragraph (f) of this section.

(f)

As provided in section 82-80.3, when an account becomes delinquent the director may require an additional deposit in any sum deemed necessary to protect the town.

(Code 1982, § 18-79.3; Ord. No. 087-072, § 4, 10-27-87; Ord. No. 008-015, § 1(B), 5-13-08)

#### **Sec. 82-79.4. Use of security deposits.**

(a)

*Accounting requirements.* The director shall keep:

(1)

Accurate records of all security deposits, including, but not limited to, the depositor's name, amounts deposited and deposits refunded; and

(2)

Separate accounts of all security deposits.

(b)

*Administration of deposits.* The director shall administer cash security deposits in accordance with the following rules:

(1)

A deposit will be applied toward payment of the final bill amount due the city when a service account is closed or becomes inactive due to delinquency.

(2)

A deposit, less amounts due for service, will be returned to the customer when service is discontinued.

(3)

Deposits may be invested by the city, but sufficient cash shall be accounted for and kept on hand to meet the normally anticipated level of refunds.

(Code 1982, § 18-79.4; Ord. No. 087-072, § 4, 12-27-87)

## **Sec. 82-79.5. Reserved.**

*Editor's note—*

Ord. No. 008-015, § 1(C), adopted May 13, 2008, repealed § 82-79.5 which pertained to security deposit refunds. See also the Code Comparative Table.

## **Sec. 82-79.9. Billing regulations.**

Water and sewer charges shall be billed on one bill as applicable to each account. All charges shall be due on the twelfth day of each month, or the following Monday if the twelfth day falls on a Saturday, Sunday, or town holiday. Bills shall be mailed to customers on or before the 24th day of each month and specify the water consumed and all charges in accordance with the rates established in sections 82-76 and 82-77.

(Ord. No. 008-015, § 1(D), 5-13-08)

## **Sec. 82-80. Collection regulations.**

(a)

The director is authorized to promulgate regulations and procedures, not in conflict with this Code, the City Charter or applicable state or federal laws or regulations, concerning the collection of charges for service and the handling of customer accounts, receipts and reports.

(b)

An account is considered delinquent if not paid in full by the due date. If payment is not received in full by the due date, the director may take action in connection with such delinquency, including, without limitation, the following:

(1)

Pursue the service termination procedures as outlined in section 82-80.3.

(2)

Perfect a lien upon the property as outlined in sections 82-81.2 and 82-81.3.

(3)

Take civil action to collect the delinquent amount.

(Code 1982, § 18-80; Ord. No. 087-072, § 5, 10-27-87; Ord. No. 008-015, § 1(E), 5-13-08)

## **Sec. 82-80.1. Payment; late payments.**

(a)

All charges under ordinance number 087-072, including any penalties assessed, unless otherwise specifically provided for, shall be payable monthly in accordance

with bills rendered therefore to the customer by the department. "Render" shall mean deposit in the United States mail by the department.

(b)

The bill as rendered shall be the net amount due and payable to the department for all services. The charges so rendered shall be due and payable upon receipt of such bill and shall become delinquent after the twelfth day of the following month. If payment is to be made in person or by mail, the date of receipt shall be the date received by the department.

(c)

If such bill is not paid, as of the date indicated in this subsection:

(1)

Such liability shall be discharged upon payment of the delinquent bill, plus a penalty of ten percent of the total amount of the bill, prior to the due date of the next succeeding bill, and provided further that:

(2)

If such payment of a delinquent bill, plus the penalty herein provided, be not paid prior to the due date of the next succeeding bill, the amount of the delinquent bill, plus the penalty herein provided, shall be added to and become a part of the net amount of the next succeeding bill.

(d)

Failure to receive any bill provided by this section shall not relieve the customer of any liability therefore.

(Code 1982, § 18-80.1; Ord. No. 087-072, § 6, 10-27-87; Ord. No. 006-019, § 1.A.3., 4-11-06; Ord. No. 008-015, § 1(F), 5-13-08)

## **Sec. 82-80.2. Billing dispute/appeal.**

(a)

The director is responsible for ensuring the integrity of the utility billing system. If a customer would like to appeal a penalty or other collections related fee or upon discovery of facts that reveal billing errors, the director is charged with resolving the billing issue in a manner satisfactory to both the city and customer. The director may make adjustments to bills delivered to the customer for amounts up to \$2,500.00. For adjustments involving amounts of between \$2,500.01 and \$24,999.99, the director shall obtain approval from the city manager or his designee. For adjustments involving amounts of \$25,000.00 or greater, the city manager shall obtain approval from the city council.

(b)

The city's and customer's liability for amounts related to billing errors shall be limited to the six months preceding the charge being appealed or the discovery of the error.

(c)

At any time before the date of termination of service for nonpayment of the amount(s) shown on a utility bill, a notice of rejection or a notice of termination, a customer may dispute the correctness of all or part of the amount(s) shown in accordance with the provisions of this division. A customer shall be entitled to dispute the correctness of all or part of the amount(s) if all or part of the amount(s) was (were) the subject of a previous dispute under this section.

(d)

The procedure for customer appeals shall be as follows:

(1)

If a customer does not dispute the correctness of an amount(s) shown on a utility bill, a notice of rejection or a notice of termination, but is appealing the assessment of a penalty or other collections related fee, the customer shall notify the director, orally or in writing, of the amount being appealed.

(2)

At the director's discretion, a penalty or other collections related fee may be waived for a customer.

(3)

The director within three days after receipt of the customer's notice shall notify the customer if the penalty or other collections related fee will be waived.

(e)

The procedure for customer disputes shall be as follows:

(1)

Before the date of termination, the customer shall notify the director, orally or in writing, that he disputes all or part of the amount(s) shown on a utility bill, a notice of rejection or a notice of termination, stating as completely as possible the basis for the dispute.

(2)

If the director determines that the present dispute is untimely or that the customer previously disputed the correctness of all or part of the amount(s) shown, the director shall mail to the customer a notice stating that the present dispute is untimely or invalid. The director shall then proceed as if the customer had not notified him of the present dispute.

(3)

If the director determines that the present dispute is not untimely or invalid under this section, the director, within three days after receipt of the customer's notice, shall arrange an informal meeting between the customer and himself or a designee.

(4)

Based on the department's records, the customer's allegations and all other relevant materials available to the director, he shall resolve the dispute, attempting to do so in a manner satisfactory to both the city and the customer.

(5)

Within five days of completion of the meeting, the director shall mail to the customer a copy of his decision resolving the dispute.

(6)

If the decision is unsatisfactory to the customer, the customer, within five days of receipt of the director's decision, may request, in writing, a formal hearing before the city manager or his designee.

(7)

The formal hearing before the city manager shall be held within ten days of the city's receipt of the customer's written request.

(8)

At the hearing the director and the customer shall be entitled to present all evidence that is, in the city manager's view, relevant and material to the dispute, and to examine and cross-examine witnesses.

(9)

Based on the record established at hearing, the city manager, within five days of the completion of the hearing shall issue his written decision formally resolving the dispute. His decision shall be final and binding on the city and the customer.

(f)

Utilization of this dispute/appeal procedure shall not relieve a customer of his obligation to timely and completely pay all other undisputed utility charges and/or installments and surcharges, and the undisputed portion(s) of the amount(s) which is (are) the subject of the present dispute. Notwithstanding subsection (d), failure to timely and completely pay all such undisputed amounts shall subject the customer to termination of service in accordance with the provisions of this division.

(g)

Until the date of the city manager's or the director's decision, whichever is later, the director shall not terminate the service of this customer and shall not issue a notice of termination to him solely for nonpayment of the disputed amount(s). If it is determined that the customer must pay some or all of the disputed amount(s), the director shall promptly mail to, or personally serve upon the customer a notice of termination as provided in section 82-80.3.

*(Code 1982, § 18-80.2; Ord. No. 087-072, § 6, 10-27-87; Ord. No. 089-002, § 3, 1-10-89; Ord. No. 006-019, § 1.A.4., 4-11-06; Ord. No. 008-015, § 1(G), 5-13-08)*

### Sec. 82-80.3. Service termination procedures.

(a)

Except as provided in section 82-80.2(d), and 82-80.4, the provisions of this section shall govern all terminations of service for nonpayment of utility charges and/or installments and surcharges by residential and commercial customers.

(b)

If by the payment date shown on a utility bill the ~~director~~ department has not received complete payment of the amount(s) shown on the bill, the director shall mail to, or personally serve upon the customer, a notice of termination ~~not less than three days after the payment date.~~ during the final seven days of the month during which the delinquent bill due date falls. Such termination will be effective on the due date of the current bill due (not on delinquent bill due).

(c)

The notice of termination shall contain the following:

(1)

The amount to be paid;

(2)

The date of the notice of termination;

(3)

The date of termination, ~~which shall be no less than ten days from the date of the notice of termination;~~ which is the due date of the current bill due (not of the delinquent bill due).

(4)

Notice that unless the director receives complete payment of the amount shown prior to the date of termination, service shall be terminated under subsection (d);

(5)

Notice that in lieu of paying the entire amount shown, a customer, prior to the date of termination, may notify the director that he disputes the correctness of all or part of the amount shown, if all or part of the amount shown was not the subject of a previous dispute under section 82-80.2.

(d)

If, prior to the date of termination,

(1)

The director has not received complete payment of the amount shown on the notice of termination; or

(2)

The customer has not notified the director that he disputes the correctness of all or part of the amount shown on the notice of termination, then the director shall terminate service on the date of termination.

(e)

If the director receives payment of the entire amount shown on the notice of termination prior to the date of termination, such payment shall be considered a timely and complete payment.

(f)

Cutting and plugging connections. The directors' authority to discontinue service includes the right to cut and plug water or wastewater connections to private property. The costs of cutting and plugging connections will be charged to the customer in addition to the delinquent charges due.

(g)

Restoration of service. Discontinued service will not be restored until the customer, owner or some other person either pays all charges due ~~(including the charges to restore connections; a \$20.00 reconnection fee and an additional security deposit in the amount specified at section 82-79.3), or, where applicable, ceases violation of the particular Code provision in question. The decision to restore service while delinquent charges or Code violations still exist rests solely with the director.~~ (including 1) \$50.00 trip fee, 2) delinquent charges, 3) current bill and 4) additional security deposit in the amounts specified at section 82-79.3) or, where applicable, ceases violation of the particular Code provision in question. The decision to restore service while delinquent charges or Code violations still exist rests solely with the director. Whether or not service is disconnected, if a crew member is dispatched to disconnect service, then a \$50.00 trip fee will be charged in addition to the delinquent charges.

(h)

Exceptions to notice requirement. Notice as provided in ordinance number 087-072 does not apply to discontinuance of service resulting from a violation of this chapter if the director determines that immediate discontinuance is necessary to prevent an imminent threat or occurrence of:

(1)

Harm to the health or safety of persons;

(2)

Damage to city or private property; or

(3)

Contamination of the water system.

(i)

Customer's request to discontinue. Upon a customer's written request, the director may discontinue service to the customer. Upon receipt of the request, the director may remove the water meter and service connections. However, the customer is liable for all charges incurred prior to removal of the meter. Where service is furnished through more than one meter, the customer may request discontinuance of one or more meters and thereafter be billed on the basis of the remaining meter or meters.

(j)

The director may delay termination of service processes to avoid unnecessary hardship to customers. However, under no circumstances shall the delay exceed two weeks.

(k)

Cumulative remedies. Enforcement of this section does not waive any additional remedies, civil or criminal, available to the city under law.

*(Code 1982, § 18-80.3; Ord. No. 087-072, § 6, 10-27-87; Ord. No. 006-019, § 1.A.5., 4-11-06; Ord. No. 008-015, § 1(H), 5-13-08)*

#### **Sec. 82-80.4. Liability of the town for failure to provide or for interruption of service.**

All persons having boilers, air conditioning equipment or other water consuming devices, which may become damaged due to interruption of water service, and which are supplied directly with town water, do so at their own risk. Except for willful and intentional misconduct, the town shall not be liable for any damage that may occur on account of the water being cut off for any purpose, for failure to provide any service, or on account of the breaking of any pipe or fixture by pressure of the water from the town mains.

Except for willful and intentional misconduct, the utilities department or the director of utilities thereof shall not be responsible, nor shall the town be liable for any damage by water resulting from defective plumbing, broken or faulty services or water mains, or from water being cut off, or resulting from any condition of the water itself or any substance that may be mixed with or be in the water as delivered to the consumer.

*(Code 1982, § 18-80.4; Ord. No. 087-072, § 6, 10-27-87)*

#### **Sec. 82-81. Reserved.**

##### **Sec. 82-81.1. Joint owners or users; liability for charges; transfer of accounts.**

(a)

*Benefits in general.* Service is deemed to benefit:

(1)

- The occupants of premises served;
  - (2)
    - The owners of premises served; and
  - (3)
    - The property served.
- (b)

*Charges a lien.* If delinquent charges remain unpaid and the procedures of [section 82-81.2](#) are substantially followed, those delinquent charges shall constitute a lien against the real property served.
- (c)

*Personal liability.* The customer in whose name the account for service exists has the primary personal liability for service rendered under this chapter. Nevertheless, where service is provided to a tenant or occupant in a single-family residence or to more than one tenant or occupant through a master meter or single service connection, if the customer in whose name the account exists fails, refuses or is unable to pay charges due, the other owners and occupants will remain jointly and severally liable for the unpaid delinquent charges. The director may refuse or discontinue service in the same manner provided for in section 82-80.3 until all delinquent charges are paid.

(Code 1982, § 18-81.1; Ord. No. 087-072, § 6, 10-27-87)

## **Sec. 82-81.2. Lien procedure.**

- (a)

*Authority.* The city is authorized, in accordance with provisions of Local Government Code Ch. 149 section 402.017(c) Article 1175(11) of the Texas Revised Civil Statutes, to perfect the lien upon property which occurs as provided in section 82-81.1, for the purpose of securing the payment of delinquent charges incurred as a result of service to the property.
- (b)

*Execution and recording.* The lien must be:

  - (1)
    - Executed by the city manager and acknowledged by a notary public of the State of Texas; and
  - (2)
    - Filed in the deed or lien records of the county in which the property is located.
- (c)

*Additional charges; correction lien.* Should additional delinquent charges be incurred subsequent to the date of the original lien's execution, a correction lien may be executed and filed, fixing the additional delinquent charges. The correction lien, when

filed of record, shall relate back to the date of recording of the original lien and shall become a part of the original lien.

(d)

*Suit to foreclose.* The city attorney, at the request of the director, may file suit to judicially foreclose the lien in a state court of competent jurisdiction. The suit may not be filed earlier than 60 days after the recording date of the lien.

(e)

*Release of lien.* Upon certification by the director that all delinquent charges which existed against the property have been fully paid, the city manager is authorized to execute a release of the lien. After execution, the director shall deliver the release to the customer to be filed in the deed or lien records of the county in which the property is located.

(f)

*Cumulative remedies.* This section is cumulative of any other remedies, methods of collection or security available to the director or the city under the Charter and divisions of the city or under state law. This section does not affect the director's authority to refuse or to furnish service when delinquent charges exist.

(Code 1982, § 18-81.2; Ord. No. 087-072, § 6, 10-27-87)

### **Sec. 82-81.3. Notice of lien.**

(a)

*Form of notice.* Prior to recording of the water lien, the director shall send notice, by certified mail, return receipt requested, that a lien will be fixed on the property in accordance with law. The notice must provide a time, place and means by which the charges causing the lien may be paid. The notice must be sent to:

(1)

The customer in whose name the account for service to the property exists;  
and

(2)

The last known record owner of the property according to the tax rolls of the city, if the customer is not the owner.

(b)

*Absence of notice.* Absence of receipt of notice does not affect the enforceability of a lien perfected under section 82-81.2.

### **Sec. 82-82. Reserved.**

### **Sec. 82-82.1. Notice of vacancy or transfer of property.**

(a)

*When notice given.* The customer, or the owner of property served, must notify the director within three days after the occurrence of:

(1)

Any total vacancy in the property served;

(2)

Any change in ownership, whether by sale, foreclosure, business reorganization or otherwise; or

(3)

Any occupancy of previously vacant property.

(b)

*Failure to notify.* Failure to give notice in accordance with subsection (a) shall render the owner and the customer, if he is not the owner, jointly and severally liable for all charges due against the property. Upon receipt of notice under subsection (a)(1) or (a)(2), the director shall prepare a final bill for the account.

(Code 1982, § 18-82.1; Ord. No. 087-072, § 6, 10-27-87)

**Sec. 82-82.2. Permission of owner or customer to be secured before using water; use before filing application for service.** 

(a)

*Use without consent.* A person commits an offense if, where water is furnished to any premises, the person knowingly takes water from any faucet or water connection on the premise without first securing the consent of, and making arrangements with, the owner of the premises or the customer in whose name the account exists. This section does not apply to a person employed by the city who is engaged in work of an emergency nature in his official capacity as a city employee.

(b)

*Use without application.* A person commits an offense if he knowingly diverts or uses water from any part of the water system without making application and without receiving the director's consent to use a service. Absence of an account for service on file with the department constitutes prima facie proof of the lack of the director's consent to use a service.

(Code 1982, § 18-82.2; Ord. No. 087-072, § 6, 10-27-87)

**Sec. 82-83. Reserved.** 

**Sec. 82-83.1. Miscellaneous charges and provisions; rates where no charge specified.** 

(a)

*Returned check charge.* A customer will be assessed the maximum amount allowed by the State of Texas Business and Commerce Code, Section 3.506 when a

customer pays a service bill by check, the check is presented to the bank, and the bank does not honor the check.

(b)

*Where no charge specified.* When charges for a service are not specified in this chapter, the director shall establish charges which are based on the cost of performing the services, including, but not limited to, such services as the moving of meter locations, repair to damaged facilities, field location of mains, fire hydrant relocation, installation of traffic lids on meter boxes, replacement of a meter with a meter larger than one inch, water and wastewater main abandonments, installation and removal of temporary service, abandonment of manholes and provision of printed materials.

(c)

*Where money credited.* All sums of money collected as a charge or fee authorized under this chapter, at the rates specified in this chapter, shall be credited to the appropriate water and wastewater fund of the city.

(d)

The service charges and fees provided in this section shall be in addition to, not in lieu of, any charges, fees, rates or penalties assessed under other provisions of this chapter or of the Code of Divisions, Town of Addison.

*(Code 1982, § 18-83.1; Ord. No. 087-072, § 6, 10-27-87; Ord. No. 006-019, § 1.A.6., 4-11-06)*

### **Sec. 82-83.2. Discrepancies in amount of bill.**

In any case in which there appears to be a material discrepancy in the net amount of the bill rendered to the customer, it shall be the responsibility of the department, upon written notice from the customer, to send an inspector to inspect and to verify the reading of the meter within five days of receipt of the complaint, at no charge to the customer; provided that if the number of such complaints shall exceed three within any six-month period, the department shall be entitled to charge the customer \$50.00 for any inspection made as provided in this subsection during the succeeding twelve-month period, said charge to be added to and made a part of the net amount of the bill next rendered to the customer by the department after the inspection is made.

*(Code 1982, § 18-83.2; Ord. No. 087-072, § 6, 10-27-87; Ord. No. 006-019, § 1.A.7., 4-11-06)*

### **Sec. 82-83.3. Adjustments for leaks.**

(a)

An adjustment reducing the water bill of a customer may be considered when a written statement is filed with the director requesting an adjustment for allegedly excessive water consumption. In addition the customer must provide proof of the leak, such as a plumber's statement or other repair statement, to substantiate the request.

(b)

Upon satisfactory proof of the leak, the director may adjust the customer's bill as follows:

(1)

The highest consumption month(s) in the period the leak occurred will be used for consideration of an adjustment. No more than three consecutive billing periods will be used for an adjustment calculation.

(2)

The difference between the consumption for the month(s) in which the leak occurred and the average consumption for the previous 12 months prior to the leak will be assessed at the wholesale rate charged to the town by other entities for water and sewer service.

(3)

The difference between amount calculated in paragraph (2) and the amount originally billed will be adjusted on the customer's account.

(c)

No more than one leak adjustment may be given to a customer within any calendar year.

*(Ord. No. 008-015, § 1(I), 5-13-08)*

#### **Sec. 82-83.4. Authority to write off uncollectible debt.**

No later than January 31st of each year the director is authorized to write off those water and sewer debts owed to the town which, following a diligent and reasonable effort to collect the debt, the director reasonably determines to be uncollectible for the fiscal year ended the previous September 30th. The director may write off these water and sewer debts for amounts totaling up to \$2,500.00. For write offs involving amounts totaling between \$2,500.01 and \$24,999.99, the director shall obtain approval from the city manager. For write offs totaling amounts of \$25,000.00 or greater, the city manager shall obtain approval from the city council.

*(Ord. No. 008-015, § 1(J), 5-13-08)*

#### **Secs. 82-84, 82-85. Reserved.**

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 82 (UTILITIES) OF THE CODE OF ORDINANCES OF THE TOWN BY AMENDING SECTION 82-80.1 (PAYMENT; LATE PAYMENTS), SUBSECTION (C) TO DELETE A PROVISION FOR PAYMENT OF A DELINQUENT UTILITY BILL AND APPLICABLE PENALTY BEING ADDED TO THE NEXT SUCCEEDING BILL, AND BY AMENDING SECTION 82-80.3 (SERVICE TERMINATION PROCEDURES) BY AMENDING SUBSECTIONS (B) AND (C) REGARDING NOTICE AND DATE OF TERMINATION OF WATER AND SEWER UTILITY SERVICE AND SUBSECTION (G) REGARDING RESTORATION OF WATER AND SEWER UTILITY SERVICE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas (the "City") is a home rule municipality having full power of local self government pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

**WHEREAS**, the City Council is authorized by Section 2.08.p. of the City Charter to provide for a sanitary sewer and water system, and the City is authorized by law (including, without limitation, Sections 552.001 and 552.017, Tex. Loc. Gov. Code) to own, construct and operate a water and sewer system, to regulate the system, and to prescribe rates therefor; and

**WHEREAS**, the City desires to amend provisions in its Code of Ordinances regarding payment of a delinquent utility bill, and notice and date of termination, and restoration, of water and sewer utility services, and the City Council finds that the amendments and changes herein made are in the best interests of the City and its citizens and of the public health and welfare.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

Section 1. The Code of Ordinances (the "Code") of the Town of Addison, Texas (the "City") is hereby amended as follows (additions are underlined, deletions are ~~struck through~~):

A. Chapter 82 (Utilities), Article I (In General), Division 5 (Rates and Charges) of the Code is hereby amended in part as follows:

1. Section 82-80.1 (Payment; late payments) of the Code is amended by amending subsection (c) thereof to read as follows:

(c) If such bill is not paid, as of the date indicated in this subsection, ~~÷~~

~~(4) —~~ sSuch liability shall be discharged upon payment of the delinquent bill, plus a penalty of ten percent of the total amount of the bill, prior to the due date of the next succeeding bill, ~~and provided further that;~~

~~(2) If such payment of a delinquent bill, plus the penalty herein provided, be not paid prior to the due date of the next succeeding bill, the amount of the delinquent bill, plus the penalty herein provided, shall be added to and become a part of the net amount of the next succeeding bill.~~

2. Section 82-80.3 (Service termination procedures) of the Code is amended by amending subsections (b), (c), and (g) thereof to read as follows:

- (b) If by the payment date shown on a utility bill the ~~department director~~ has not received complete payment of the amount(s) shown on the bill, the director shall mail to, or personally serve upon the customer a notice of termination during the final seven days of the month during which the delinquent bill due date falls. Such termination will be effective on the date immediately following the due date of the current bill due (not on delinquent bill due)~~not less than three days after the payment date.~~
- (c) The notice of termination shall contain the following:
  - (1) The amount to be paid;
  - (2) The date of the notice of termination;
  - (3) The date of termination, which ~~is shall be no less than ten days from the date immediately following the due date of the current bill due (not of the delinquent bill due)~~of the notice of termination;
  - (4) Notice that unless the director receives complete payment of the amount shown prior to the date of termination, service shall be terminated under subsection (d);
  - (5) Notice that in lieu of paying the entire amount shown, a customer, prior to the date of termination, may notify the director that he disputes the correctness of all or part of the amount shown, if all or part of the amount shown was not the subject of a previous dispute under section 82-80.2.
- (g) Restoration of service. Discontinued service will not be restored until the customer, owner or some other person either pays all charges due (including (1) a \$50.00 trip fee, (2) delinquent the charges, (3) current bill, to restore connections; a \$20.00 reconnection fee and (4) an additional security deposit in the amounts specified at section 82-79.3), or, where applicable, ceases violation of the particular Code provision in question. The decision to restore service while delinquent charges or Code violations still exist rests solely with the director. Whether or not service is disconnected, if a crew member is dispatched to disconnect service, then a \$50.00 trip fee will be charged in addition to the delinquent charges.

Section 2. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in

those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances, and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or any penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 3. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 4. Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective upon its passage and approval

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Todd Meier, Mayor

ATTEST:

By: \_\_\_\_\_  
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
John Hill, City Attorney

## **Combined Meeting**

**R2d**

**Meeting Date:** 10/28/2014

**Council Goals:** Create raving fans of the Addison Experience.

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute a contract with Shiroma Southwest for professional services to perform interim marketing and public communications functions for the Town of Addison.

### **FINANCIAL IMPACT:**

These services are unbudgeted but will be funded out of salary savings in the Marketing Department due to the resignation and vacancy of the Marketing Director position. Shiroma's fees will be \$95/hour for social media management and \$125/hour for marketing management. Total fees will not exceed \$50,000 for the term of this agreement.

### **BACKGROUND:**

The Town's Marketing & Public Communication Director submitted her resignation on October 14, 2014. With her departure on November 7, the Town will need professional services on an interim basis (term of the proposed agreement with Shiroma Southwest is for 7 months) to ensure our various marketing needs are met. This will give us time to more thoroughly assess the long-term staffing needs in this area and come forward with the optimum organizational structure and potential outside consulting services for these operations. Having Shiroma available during this interim period will permit us to more seamlessly complete several major marketing initiatives over the next 45-60 days and beyond. Specifically, the Town is in the middle of an RFP process for the Town's creative advertising services to include economic development, special events and other municipal departments, the new website development is entering a critical phase of testing and modification over the next 60 days prior to launch plus there are daily marketing and communication tasks such as the review and publication of the weekly e-newsletters, Town Meeting preparations, press release writing, social media management and the like requiring experienced staff time. We believe Shiroma Southwest can meet these immediate needs for the Town.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

Letter of Agreement



# shiroma | southwest

17311 North Dallas Parkway, Suite 110 Dallas, TX 75248 972-732-6100 info@shiomasouthwest.com

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**October 20, 2014**

**LETTER OF AGREEMENT BETWEEN ADDISON AND SOUTHWEST SPEAKERS BUREAU, INC., D.B.A. SHIROMA/SOUTHWEST, FOR INTERIM MARKETING MANAGEMENT**

This Letter confirms the agreement between Addison (the client) and Southwest Speakers Bureau, Inc., d.b.a., Shiroma/Southwest (the agency):

**SERVICES:**

Shiroma Southwest will develop and execute interim marketing program management for the City of Addison, Texas.

**ESSENTIAL PROGRAM ELEMENTS ARE CURRENTLY DEFINED AS:**

- Marketing policy implementation
- Support and implement city manager's office directives
- Interface with mayor/city council, city departments
- Manage, coordinate and implement key city communications including media messaging (all media), communications with residents and businesses, website, advertising,
- Support departments in their direct communications with stakeholders, public
- Support Special Events and Economic Development departments in their marketing/communications
- Monitor, direct and manage brand-sensitive communications
- Edit mayor's newsletter and support other communications as required, from the mayor
- Direct social media messaging
- Implement media buying
- Coordinate and rollout graphic design

**Other duties as assigned by City Manager's office.**

**FEES:**

Municipal social media, \$95/hour. Initial estimate, 25 hours/month: **\$2,375**

Marketing management, \$125/hour. Initial estimate, 40 hours/month: **\$5,000**

Total fees for this project not to exceed \$50,000.

Agency is prepared to provide additional service hours, as required and requested by the City Manager's office.

**EXPENSE REIMBURSEMENT:**

Expenses will be billed monthly. Agency will provide the client with a budget of anticipated charges. Client agrees to provide any necessary collateral pieces, if possible, to reduce the need for additional expenses. Agency will be reimbursed for all expenses pertaining to the

programs, which may include copies, long distance phone, faxes, postage, printing, messenger services, overnight deliveries, press kit materials and assembly, photo reproduction, print and electronic clipping services, etc. All outside purchases are made only under the authorization of the client and insomuch, the client agrees to accept full responsibility for all obligations and holds the agency harmless from all liability and payment of such charges as ordered under the client's authorization.

All amounts are due in Dallas, Dallas County, Texas. Balances that are more than sixty (60) days past due are subject to a finance charge of 1.33% per month (16% annually) or the current amount allowable by law.

This agreement is effective immediately upon signing and shall remain in effect through May 31, 2015.

**FOR: CITY OF ADDISON**

**FOR: SOUTHWEST SPEAKERS BUREAU, INC.  
D.B.A. SHIROMA/SOUTHWEST**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**ITS:** \_\_\_\_\_

**ITS:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

## **Combined Meeting**

**R2e**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute a contract with Shiroma Southwest for public relations and media publicity programs to promote the Town of Addison's events and selected special projects.

### **FINANCIAL IMPACT:**

The annual contract is for \$80,000.

### **BACKGROUND:**

Shiroma Southwest has worked with the Town of Addison help promote our special events like Worldfest, Vitruvian Lights, Fork & Cork, Summer Series, Kaboom Town, and Oktoberfest in Fiscal Year 2014.

Shiroma Southwest will develop and execute public relations and media publicity programs to promote the Town of Addison's events and selected projects for Fiscal Year 2015:

Out of the Loop  
Fork & Cork  
Summer Series  
Kaboom Town  
Oktoberfest  
Special Events Social Media

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

Letter of Agreement 2014- 2015

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# shiroma | southwest

17311 North Dallas Parkway, Suite 110 Dallas, TX 75248 972-732-6100 info@shiromasouthwest.com

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**September 30, 2014**

**LETTER OF AGREEMENT BETWEEN ADDISON AND SOUTHWEST SPEAKERS BUREAU, INC., D.B.A. SHIROMA/SOUTHWEST, FOR EVENT PUBLIC RELATIONS AND PUBLICITY**

This Letter confirms the agreement between Addison (the client) and Southwest Speakers Bureau, Inc., d.b.a., Shiroma/Southwest (the agency):

**SERVICES:**

Shiroma Southwest will develop and execute public relations and media publicity programs to promote the Town of Addison's events and selected projects:

**EVENTS AND PROJECTS ARE AS FOLLOWS:**

Out of the Loop  
Fork and Cork  
Summer Series  
Kaboom Town  
Oktoberfest  
Special Events Social Media

**ANNUAL FEE:** The annual fee is \$80,000 with fees allotted proportionately to each event, based on the amount of hours required. The fee will be billed monthly, as follows:

October, 2014: \$6,500.00

November, 2014- September, 2015: \$7,136.36

**SPECIAL PROJECT FEES,  
SUCH AS ECONOMIC DEVELOPMENT PROGRAMS, GALLERY AT VISIT ADDISON OR  
OTHER PROJECTS AS ASSIGNED: \$125/HOUR  
WEBSITE CONTENT: \$95/HOUR**

If the client elects to add a special project or pilot program beyond the programs mentioned above and wishes this project or program to be incorporated into the existing Letter of Agreement, an addendum will be drafted to cover the additional agency services required.

**EXPENSE REIMBURSEMENT:**

Expenses will be billed monthly. Agency will provide the client with a budget of anticipated charges. Client agrees to provide any necessary collateral pieces, if possible, to reduce the need for additional expenses. Agency will be reimbursed for all expenses pertaining to the

programs, which may include copies, long distance phone, faxes, postage, printing, messenger services, overnight deliveries, press kit materials and assembly, photo reproduction, print and electronic clipping services, etc. All outside purchases are made only under the authorization of the client and insomuch, the client agrees to accept full responsibility for all obligations and holds the agency harmless from all liability and payment of such charges as ordered under the client's authorization.

All amounts are due in Dallas, Dallas County, Texas. Balances that are more than sixty (60) days past due are subject to a finance charge of 1.33% per month (16% annually) or the current amount allowable by law.

This agreement is effective immediately upon signing and shall remain in effect through October 31, 2015.

**FOR TOWN OF ADDISON**

**FOR SOUTHWEST SPEAKERS BUREAU, INC.  
D.B.A. SHIROMA/SOUTHWEST**

**BY:** \_\_\_\_\_ **BY:** \_\_\_\_\_

**ITS:** \_\_\_\_\_ **ITS:** \_\_\_\_\_

**DATE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## Combined Meeting

R2f

**Meeting Date:** 10/28/2014

**Council Goals:** Create raving fans of the Addison Experience.  
Brand Protection and Enhancement

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute a contract with Rodney Hand & Associates Marketing Communications, LP for the production of Addison the Magazine of the North Dallas Corridor and Addison and The North Dallas Corridor Visitors Guide in an amount not to exceed \$111,000.

### **FINANCIAL IMPACT:**

This item has been budgeted in the approved FY 14-15 Adopted Budget in the amount of \$111,000.

### **BACKGROUND:**

The Town's approved marketing budget included \$111,000 for the publication of *Addison, the magazine of the North Dallas Corridor*. The Town of Addison has been working with Rodney Hand for more than 15 years on the publication of *Addison, the magazine of the North Dallas Corridor*.

If approved, Addison will receive the 18-pages of "Run of Book" (ROB) as in years prior, and will be featured prominently with front page online banner ads on the *Addison magazine* website. Addison also will be featured in online banner ads in the magazine's weekly e-newsletter.

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

Addison Magazine Agreement

Exhibit B

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STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

**Agreement for Advertising**

This Agreement for Advertising (“Agreement”) is made as of \_\_\_\_\_, 2014 by and between the Town of Addison, Texas (“Addison” or the “Town”) and Rodney Hand & Associates Marketing Communications, LP (“Hand”) (Addison and Hand are sometimes referred to herein together as the “parties” and individually as a “party”).

**Recitals:**

1. The Town is a home rule Texas municipality. Hand is a Texas limited partnership, and R.S. Hand Enterprises, LLC is the general partner of Hand, and Rodney S. Hand, an individual, is the sole member of R.S. Hand Enterprises, LLC.

2. Hand is the owner of two publications known as *Addison the Magazine of the North Dallas Corridor*, (the “Magazine”), published by Hand in both print and digital editions, and *Addison and The North Dallas Corridor Visitors Guide* (the “Visitors Guide”) (the Magazine and the Visitors Guide being sometimes referred to in this Agreement together as the “Publications”). Hand also owns and publishes (a) a website (www.addisonmag-digital.com) that reproduces the Magazine in a digital format (the “Digital Magazine”) (b) a website (www.addisonmagazine.com) that promotes the Magazine, and Addison and the north Dallas area (the “Website”), and (c) a weekly edition of the Magazine (*Addison The Weekly*) that includes stories, promotions, and information regarding Addison and the north Dallas area that Hand promotes through a weekly electronic mail distribution (“Weekly E-News”). The Town desires to advertise in the Publications, on the Website and in the Weekly E-News for the purpose of promoting the Town and the surrounding area to residents and visitors through distribution in hotel rooms and elsewhere in the Town and North Dallas area.

3. Hand agrees to produce the Publications, the Digital Magazine, the Website, and the Weekly E-News and promote and distribute them in accordance with the terms, conditions, and provisions of this Agreement, including Exhibit A and Exhibit B attached hereto and incorporated herein.

**NOW, THEREFORE**, for and in consideration of the above and foregoing premises, the mutual promises and covenants contained herein, and other good and valuable consideration, the Town of Addison, Texas and Hand & Associates Marketing Communications, LP do contract and agree as follows:

1. Incorporation of Recitals. The above and foregoing Recitals are true and correct and are incorporated into and made a part of this Agreement.

2. Term. This Agreement shall be in effect for a period of one (1) year, beginning October 1, 2014 and continuing through and ending on September 30, 2015, subject, however, to the termination provisions of this Agreement. Following the initial one (1) year term, this Agreement may be renewed by the Town for three (3) additional one (1) year terms (each such one (1) year term being a “Renewal Term”) by the Town giving written notice to Hand of its

election to renew not later than 30 days prior to the end of the initial term or a Renewal Term, as applicable. The terms, conditions, and provisions of this Agreement shall apply to each Renewal Term except as the parties may otherwise agree in writing (each Renewal Term, the dates for various items included in this Agreement will be modified).

3. Distribution of Publications, the Digital Magazine, the Website, and the Weekly E-News. Hand will direct and distribute the Visitors Guide primarily to Addison and North Dallas hotels and visitors (as identified and agreed upon by the Town and Hand). The Magazine shall be directed and distributed primarily to Addison and North Dallas residential properties (as identified and agreed upon by the Town and Hand). The content of the Visitors Guide and of the Magazine will be similar, but the Magazine may include some additional information or features which is pertinent and unique to a residential audience.

Hand will also direct and distribute the Digital Magazine, the Website, and the Weekly E-News.

The production, distribution, and promotion of the Publications, the Digital Magazine, the Website, and the Weekly E-News will be provided and performed by Hand in accordance with the terms, conditions, and provisions of this Agreement.

4. Obligations, Representations and Warranties of Hand and the Town; **Waiver; Hand's Indemnification Obligation.**

A. *Hand's Obligations, Representations, Warranties.*

(1) In connection with the Publications, the Digital Magazine, the Website, and the Weekly E-News, and their publication, promotion, and distribution, Hand agrees to provide its professional work and services set forth in this Agreement to the Town's satisfaction, in a professional manner, and represents, warrants and covenants that:

- (a) Hand shall acquire any and all licenses, agreements, permits, waivers, releases, registrations, approvals, authorizations, or any other permit or document required or necessary to produce and distribute the Publications, the Digital Magazine, the Website, and the Weekly E-News.
- (b) In the production and distribution of the Publications, the Digital Magazine, the Website, and the Weekly E-News, Hand shall comply with all applicable federal, state and local laws, rules and regulations.
- (c) During the term of this Agreement, neither Hand nor any of Hand's associates or employees shall participate, whether directly or indirectly, financially or otherwise, in the production of any other publication related to Addison or the North Dallas area.
- (d) Hand shall keep and hold all information provided to it by the Town in connection with this Agreement in confidence and shall not disclose such information to any third party. This paragraph shall survive the termination hereof.

- (e) No later than the 10<sup>th</sup> day of each month, Hand shall provide a report in writing to the Town that provides information and data regarding the Publications, the Digital Magazine, the Website, and the Weekly E-News and their distribution, use, progress, development, and accomplishments for the immediately prior month. The first such report shall be provided to the Town by no later than December 10, 2014 (and include information and data pertaining to October 2014). Each report shall be certified as true and correct by an officer of Hand authorized to provide such certification and shall include, among other things:
- (i) the number of Magazines and Visitor Guides that have been distributed to third parties (e.g., hotels, businesses, individuals), identifying the number of each that have been distributed and/or sold;
  - (ii) the number of Weekly E-News publications distributed to unique e-mail addresses;
  - (iii) the number of visitors to the Website, including the number of visitors who visited the Website through a search engine (e.g., Google) and through a link on another website, the average number of pages per visit by a visitor to the Website, the average time spent on the Website by a visitor to the Website, and the bounce rate (the percentage of visitors to the Website that leave the Website before clicking anything on the Website); and
  - (iv) how the Town's digital advertisements are tracking and performing.

In addition to the above, Hand and the Town (through the Town's Director of Communications and Marketing or such other person as the City Manager may designate (the "Director")) will work together to determine other information and data to be included in a report, with report requirements determined by Hand and the Town, and with the Town's final approval, no later than November 15, 2014.

(2) **Hand's Indemnification Obligation.** Hand covenants, agrees to, and shall **DEFEND** (with counsel reasonably acceptable to Addison), **INDEMNIFY**, AND **HOLD HARMLESS** the Town of Addison, Texas, the past, present and future elected and appointed officials, and the past, present and future officers, employees, agents, and representatives of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town and such elected and appointed officials, and such officers, employees, agents, and representatives of the Town each being an "Addison Person" and collectively the "Addison Persons"), from and against any and all claims, liabilities, judgments, lawsuits, demands, harm, losses, damages, proceedings, suits, actions, causes of action, liens, fees, fines, penalties, expenses, or costs, of any kind and nature whatsoever made upon or incurred by the Town of Addison, Texas and/or any other Addison Person, whether directly or indirectly, (the "Claims"), that arise out of, result from, or relate to: (i)

the work and services to be provided by Hand pursuant to this Agreement as described herein, including in Sections 3 and 4, above, and in Exhibit A and Exhibit B attached hereto and incorporated herein, (ii) any representations and/or warranties by Hand under this Agreement, (iii) any personal injuries (including but not limited to death) to any Hand Persons (as hereinafter defined) and any third persons or parties arising out of or in connection with Hand's provision of its work and services under or in connection with this Agreement, and/or (iv) any act or omission under, in performance of, or in connection with this Agreement by Hand or by any of its owners, directors, officers, managers, partners, employees, agents, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees, or any other person or entity for whom Hand is legally responsible, and their respective owners, directors, officers, directors, officers, managers, partners, employees, agents, contractors, subcontractors, invitees, patrons, guests, customers, licensees, sublicensees (collectively, "Hand Persons"). **SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY ADDISON PERSON, OR CONDUCT BY ANY ADDISON PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.** However, Hand's liability under this section shall be reduced by that portion of the total amount of the Claims (excluding defense fees and costs) equal to the Addison Person or Addison Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Hand's liability for Addison Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Persons' proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Additionally, despite the full indemnity given herein, under no circumstances shall Hand have any duty to indemnify an Addison Person for any Claims found to have been caused by the sole negligence of the Addison Person.

Hand shall promptly advise the Town of Addison in writing of any claim or demand against any Addison Person related to or arising out of Hand's activities under this Agreement and shall see to the investigation and defense of such claim or demand at Hand's sole cost and expense. The Addison Persons shall have the right, at the Addison Persons' option and own expense, to participate in such defense without relieving Hand of any of its obligations hereunder. This defense, indemnity, and hold harmless provision shall survive the termination or expiration of this Agreement.

(3) **Waiver.** Hand, its officers, agents and employees do hereby waive any and all claims for damage, injury or loss to any person or property, including the death of any person, that may be caused, in whole or in part, by the act or failure to act of any officer, agent or employee of the Town. Hand, its officers agents and employees assume the risk of all conditions whether dangerous or otherwise, in and about the premises of the Town, and waive any and all specific notice of the existence of any defective or dangerous condition in or about the said premises. The provisions of this paragraph shall survive the termination of this Agreement.

B. *Town's Obligations.* The Town agrees that it will pay Hand a sum not to exceed: \$27,750.00 for 18 pages of R.O.B. (Run of Book) advertising in the Holiday/Winter 2014/2015 issue of the Publications, \$27,750.00 for 18 pages of R.O.B. advertising in the Spring 2015 issue, \$27,750.00 for 18 pages of R.O.B. advertising in the Summer 2015 issue, and \$27,750.00 for 18 pages of R.O.B. advertising in the Fall 2015 issue of the Publications. Such payment shall be made in accordance with the terms of this Agreement, including Exhibit A attached hereto and incorporated herein.

Such payments include payment to Hand for Hand's local distribution of each of the Holiday/Winter 2014/2015, Spring 2015, Summer 2015 and Fall 2015 Publications respectively to various locations approved by the City Manager. The area distribution will include the Town and extends from the borders of the Town south to LBJ Freeway (IH 635), north to Legacy, east to Hillcrest Road, and west to Marsh Lane. The various local distribution points shall be determined by the Town. Such sum shall be paid by the Town to Hand upon the Town receiving proof acceptable to the Town of the completion of the distribution.

The payments described in this subsection B., in addition to being full payment for Hand's work and services regarding the Publications, are and constitute full payment for Hand's work and services regarding the Digital Magazine, the Website, and the Weekly E-News as described in this Agreement.

## 5. Termination.

A. This Agreement may be terminated at any time by either party hereto in the event that the other party is in breach of any term of this Agreement and such breach continues for more than three (3) days after receipt by the breaching party of written notice of the breach from the non-breaching party. In the event of such termination Hand shall be compensated for all work and services properly performed pursuant to this Agreement to the date of termination. In the event of such termination, should Hand have been paid by the Town for services not yet properly performed then Hand shall reimburse the Town all such payments. Acceptance or payment of such reimbursement shall not constitute a waiver of any claim that may otherwise arise out of this Agreement.

B. In addition, either party may terminate this Agreement at any time and for any reason (or for no reason) by giving the other party (the "non-terminating party") at least sixty (60) days written notice of such termination ("Termination Notice"). If a Space Reservation deadline listed on the attached Exhibit B for any issue of the Publications will occur prior to the expiration of the said 60 day period that begins on the day that such notice is actually received or deemed received (as set forth in Section 7 below) by the non-terminating party and ends at the conclusion of the 60<sup>th</sup> day thereafter, then this Agreement shall continue in effect as to such issue of the Publications only (the "Continued Publications"), and upon the completion of the work and services of Hand in connection with such issue of the Publications and payment by the Town therefor in accordance with this Agreement, this Agreement shall terminate. Upon receipt of the termination notice, Hand will stop work in an orderly and expeditious manner (except for the Continued Publications), place no further subcontracts or orders in connection with this Agreement, and terminate all subcontracts (if any) (but, at the Town's request, Hand will continue to provide its work and services hereunder as to the Digital Magazine, the Website, and the Weekly E-News until the expiration of the 60-day period).

Example: The Spring 2015 Space Reservation deadline is January 16, 2015 as shown on the attached Exhibit B. The Town sends written notice to the address for Hand included in Section 7 below on January 5, 2015 that the Town wants to terminate this Agreement. The notice is sent by certified mail and is deposited in the U.S. Mail, postage pre-paid on January 5, 2015, and under Section 7 below is deemed received 3 days thereafter, or January 8, 2015. The 60<sup>th</sup> day after January 8, 2015 is March 9, 2015. The Space Reservation deadline for Spring 2015 shown in Exhibit B - January 16, 2015 – occurs during the 60 day period between January 8, 2015 and March 9, 2015. The Agreement will be terminated at the end of March 9, 2015, but the work and services of Hand for the Spring 2015 Publications will be a Continued Publication. Upon the completion of Hand's work and services for the Spring 2015 Publications and the payment by the Town for such work and services in accordance with this Agreement, this Agreement shall end. Accordingly, Hand will not provide work and services, and the Town will not pay Hand, for the Summer 2015 and the Fall 2015 Publications.

6. Delays; Breach. No delay by either of the parties hereto in performing their respective duties, or obligations hereunder shall be deemed a breach of this Agreement if such delay arises from causes beyond the reasonable control of party and not avoidable by diligence of that party, including delays resulting from labor disputes, strikes, wars, riots, insurrection, civil commotion, government regulations, fire, flood, storm, or acts of God, provided that such affected party uses its best efforts to avoid non-performance and resumes full performance hereunder as soon as practical. Shortage of material or equipment or changes in price of materials or equipment shall not constitute valid grounds for delay.

It will constitute a breach of this Agreement, allowing for termination and/or recovery of damages which the non-breaching party sustains if:

A. The Town fails to make any payment due hereunder that is not then in dispute within thirty (30) days following the receipt of an invoice provided in accordance with this Agreement therefor (and each such invoice shall include a summary statement of services rendered; and Hand shall supply such supporting documentation with each invoice regarding the services performed by Hand as may be requested by Town from its Staff employees), or

B. Hand fails to deliver the Holiday/Winter 2014/2015 issue of the Publications, in the required quantities (see Exhibit A) on or before November 16, 2014, the Spring 2015 issue in the required quantities (see Exhibit A) on or before February 20, 2015, the Summer 2015 issue in the required quantities (see Exhibit A) on or before May 15, 2015, or the Fall 2015 issue in the required quantities (see Exhibit A) on or before August 14, 2015; provided, however, that the Town agrees to allow Hand a period not to exceed five (5) business days from the delivery date set out above to fully complete Hand's required distribution of the Publications. Failure by Hand to deliver on the dates set above shall result in a late fee of \$400.00 per day which the Town may deduct from the final amount then payable.

7. Notice: Where the terms of this Agreement require that notice in writing be provided, such notice shall be deemed received by the party to whom it is directed upon being hand-delivered or upon three (3) days following the deposit of the notice in the United States mail, postage pre-paid, and sent by certified mail, return receipt requested and properly addressed as follows:

To Addison:

5100 Belt Line Road  
Suite 430  
Dallas, Texas 75254  
Attn: Carrie Sloan Rice  
Director of Marketing

To Hand:

Rodney Hand & Associates Marketing  
Communications, LP  
3939 Belt Line Road, Suite 222  
Addison, Texas 75001  
Attn: Rodney Hand

8. Assignment. This Agreement shall not be assigned or otherwise conveyed in whole or in part by Hand without the prior written consent of the Town. For purposes hereof, a change in control of the ownership of Hand constitutes an assignment (“control” means the possession, directly or indirectly, of the power (whether alone or in conjunction with another) to direct or cause the direction of the management and/or policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise). Because this is a services contract, the Town is not obligated to consent to any assignment or other conveyance of any portion of this Agreement. Any attempted assignment or other conveyance hereof by Hand shall be null, void and of no force or effect, and shall entitle the Town to treat such attempted assignment or other conveyance as a breach of this Agreement and to terminate this Agreement in accordance with Section 5.A., above.

9. Independent Contractor. Hand is and shall at all times during the term of this Agreement be an independent contractor. The Town is solely an advertiser in the Publications and does not control and has no authority to control the content of the Publications, the Website, *Addison The Weekly*, or the Weekly E-News, all such control being under the sole authority of Hand. Neither the Town nor Hand shall be deemed to be the agent of the other and neither is authorized to take any action binding upon the other. No term or provision of this Agreement or any action in the performance hereof is intended nor shall be construed as making Hand the agent, servant or employee of the Town, or to create an employer-employee relationship, a joint venture relationship, or a joint enterprise relationship

10. Texas Law to Apply. This Agreement shall be governed by the laws of the State of Texas (without reference to choice of law provisions of any jurisdiction), and shall be performable and all compensation payable in Dallas County Texas. Exclusive venue under this Agreement lies in Dallas County, Texas.

11. Entire Agreement; No Third Party Beneficiaries; “Includes”; No Waiver of Immunity. This Agreement is the entire and integrated agreement between the Town and Hand and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties. This Agreement and each of its provisions are solely for the benefit of the parties hereto and do not, are not intended to, create or grant any rights, contractual or otherwise, to any third person or entity. For purposes of this Agreement, “includes” and “including” are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

Notwithstanding any other provision of this Agreement, nothing in this Agreement shall or may be deemed to be, or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or tort limitation to which the Town, its officials, officers, employees,

representatives, and agents are or may be entitled, including, without limitation, any waiver of immunity to suit.

12. Severability. The terms and provisions of this Agreement are severable, and if any clause, paragraph, section or portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect.

13. Authority to Execute. The undersigned officers and/or agents of the Town and Hand are properly authorized officials of the said parties and have the authority necessary to execute this Agreement on behalf of the respective party, and the parties hereby certify one to the other that any necessary resolutions extending said authority have been duly passed and are now in full force and effect.

**EXECUTED** at Dallas County, Texas on the day and year first written above.

**TOWN OF ADDISON, TEXAS**

**RODNEY HAND & ASSOCIATES  
MARKETING COMMUNICATIONS, LP**

By: \_\_\_\_\_  
Lea Dunn, City Manager

By: \_\_\_\_\_  
\_\_\_\_\_

Date of signing: \_\_\_\_\_

Date of signing: \_\_\_\_\_

## **Exhibit A**

### **DESCRIPTION OF ADDISON/NORTH DALLAS PUBLICATIONS**

A. **Schedule:** The (i) Holiday/Winter 2014/2015 issue of the Publications shall be completed and distributed by Hand on or before November 16, 2014, (ii) the Spring 2015 issue of the Publications shall be completed and distributed by Hand on or before February 20, 2015, (iii) the Summer 2015 issue of the Publications shall be completed and distributed by Hand on or before May 15, 2015, and the (iv) Fall 2015 issue of the Publications shall be completed and distributed by Hand on or before August 14, 2015.

B. **Duties of Town:** The Town shall:

1. Become the anchor advertiser for the Holiday/Winter 2014/2015, Spring 2015, Summer 2015 and Fall 2015 issue of the Publications. The Town shall be provided (a) 18 pages of R.O.B. (Run of Book) advertising and editorial, for the Holiday/Winter 2014/2015 issue of the Publications at a total cost not to exceed \$27,750.00, (b) 18 pages of R.O.B. (Run of Book) advertising and editorial, for the Spring 2015 issue of the Publication at a total cost not to exceed \$27,750.00, (c) 18 pages of R.O.B. (Run of Book) advertising and editorial, for the Summer 2015 issue of the Publications at a total cost not to exceed \$27,750.00 and (d) 18 pages of R.O.B. advertising and editorial for the Fall 2015 issue of the Publications at a total cost not to exceed \$27,750.00. Payments shall be due based on the following schedule:

For the Holiday/Winter 2014/2015 issue, a total of \$27,750.00 will be due not later than 30 days after the Town's receipt from Hand of Hand's certification, in form and content satisfactory to the Town, that Hand has completed (a) delivery of the Visitors Guide to all the hotels, and delivery of the Magazine to all the residential properties, contained on a distribution list designated by the Town, and (b) the distribution of the Publications to all other sources as described herein or as may be designated by the Town.

For the Spring 2015 issue, a total of \$27,750.00 will be due not later than 30 days after the Town's receipt from Hand of Hand's certification, in form and content satisfactory to the Town, that Hand has completed (a) delivery of the Visitors Guide to all the hotels, and delivery of the Magazine to all the residential properties, contained on a distribution list designated by the Town, and (b) the distribution of the Publications to all other sources as described herein or as may be designated by the Town.

For the Summer 2015 issue, a total of \$27,750.00 will be due not later than 30 days after the Town's receipt from Hand of Hand's certification, in form and content satisfactory to the Town, that Hand has completed (a) delivery of the Visitors Guide to all the hotels, and delivery of the Magazine to all the residential properties, contained on a distribution list

designated by the Town, and (b) the distribution of the Publications to all other sources as described herein or as may be designated by the Town.

For the Fall 2015 issue, a total of \$27,750.00 will be due not later than 30 days after the Town's receipt from Hand of Hand's certification, in form and content satisfactory to the Town, that Hand has completed (a) delivery of the Visitors Guide to all the hotels, and delivery of the Magazine to all the residential properties, contained on a distribution list designated by the Town, and (b) the distribution of the Publications to all other sources as described herein or as may be designated by the Town.

2. Submit to Hand in writing: changes and/or corrections to proofs or artwork, photos, and editorial layout. The Town shall return requests for proofing within 72 hours of receipt from Hand.

3. The Town agrees to permit Hand to review its collection of photographs, and agrees to grant to Hand a non-exclusive, royalty free license to use or reproduce such photographs, but solely as a part of the content of the publications which are the subject hereof; provided, however, that if any other person, firm or entity is the owner of any intellectual property rights in connection with any of such photographs, Hand is required to pay such fees, or enter into agreements with third parties as Hand and such third party may agree, without any cost or expense to the Town

4. Town authorizes Hand to produce the Town's logo, royalty free, but solely in connection with the publications which are the subject of this Agreement, and for no other purpose.

C. Duties of Hand: In addition to all other work and services to be provided by Hand under this Agreement, Hand shall provide:

1. On or before January 1, 2015 a timeline that details the elements of the Publications with key milestones.

2. A minimum 64-page Perfect Bound Magazine of 20,000 copies each for the November 2014 issue, February 2015 issue, May 2015 issue and the August 2015 issue of the Publications. Except as provided in this sentence, in each of those issues, Hand will provide the Town (a) full page premium ad position of inside back cover , and (b) up to two additional full page ads per issue (except for the November 2014 issue) in the Town's section of choice.

3. Proofs of the editorial outline, story ideas, cover design, photos, artwork, and layout and input for all matters pertaining to the Town (e.g., Town officials, employees, services, special events, etc.) for approval by the Town. No editorial material of any nature pertaining to the Town (e.g., Town officials, employees, services, special events, etc.) will appear in the print Publications unless it has been reviewed and approved by the Director.

4. The Town shall have prior approval of all promotional material (and promotional materials only) including advertising rates pertaining to the Publications.

5. (a) With respect to the Visitors Guide, Hand shall be responsible for its distribution to the participating hotels and shall also verify placement of the Visitors Guide in guest rooms. Hand shall also provide replacement copies of the Visitors Guide to hotels as needed. In addition, Hand shall also distribute the Visitors Guide to the following sources:

Participating Hotel Sales Offices  
Corporate Concierges  
Commercial Leasing Offices and Residential Real Estate Offices  
Certain Advertisers

(b) With respect to the Magazine, Hand shall be responsible for its distribution to the residential properties identified and agreed upon by Hand and the Town, and Hand shall verify the distribution of the same.

(c) Hand shall provide to the Town a list of all sources to whom copies of the Publications are distributed.

6. As the anchor advertiser, the Town will be given copies for distribution.

7. Advertising sales area will be limited to:

South of Legacy  
East of Marsh Lane  
North of Harvest Hill  
West of Hillcrest Road

Restaurants outside the area shall not be included.

No advertising will be accepted from any person, business or organization unless it meets the geographic limitations set out above without express permission from the Director. The Town shall receive a list of advertisers one (1) week following the posted space reservation deadline for each issue.

8. The Town and Hand agree that the ratio of advertising to editorial shall not exceed 40% ads to 60% editorial.

9. The Town and Hand agree that the average ad rate for a run of space, full page/4 color insertion shall not exceed \$3,500.00 and for exclusive positions, a full page/4 color insertion shall not exceed \$4,595.00.

10. *Digital Edition.* Hand will publish, at the same time as the publication of the print edition of the Magazine, a digital edition of the Magazine at a website owned and controlled by Hand at [www.addisonmag-digital.com](http://www.addisonmag-digital.com) (with a link to that website being included on a website owned and controlled by Hand at

www.addisonmagazine.com and included in each edition of the Weekly E-News (described in the Recitals to this Agreement)). By November 15, 2014, Hand shall coordinate with the Town on an year-long editorial calendar for the digital editions of the Magazine, Hand shall provide to the Town the following:

- (a) full page ad position of the inside back cover in each of the quarterly issues;
- (b) up to two (2) additional full page ads per issue in the section of the Town's choice in each of the quarterly issues; and
- (c) up to three (3) enhancements for each digital issue, including: *Cover Sponsorship, Blow-In, Web Content (iFrame) Blow-in, Button Drawer, Belly Band, Slideshows, 360° Animation, Audio-Video*, in each of the quarterly issues (materials for enhancements to be supplied by the Town to Hand in accordance with specifications supplied to the Town by Hand).

11. *Website.* Hand shall produce and maintain a website for the Magazine (at [www.addisonmagazine.com](http://www.addisonmagazine.com)). By November 15, 2014, Hand shall coordinate with the Town on an year-long editorial calendar for Town of Addison ads that will appear on the website; with respect to that website, Hand shall provide to the Town the following:

- (a) front page ad zone (rotation ad zones 2, 3 and 4) three (3) times each year (Hand and the Town will consult with one another as to what times during the year this will occur, but preference to the Town's choice of times will be given), plus (i) two additional front page ad zones (rotation ad zones 2, 3 and 4) and (ii) 4 additional ads on the Category page of Town's choice for the November (2014) - February (2015) quarter;
- (b) category page I (rotation ad zones 2, 3 and 4) every day of each month;
- (c) category page II (rotation ad zones 2, 3 and 4) every day of each month; and
- (d) category page III (rotation ad zones 2, 3 and 4) every day of each month.

12. Hand shall provide to the Town Weekly E-News advertising space (advertisement to be provided by the Town). By November 15, 2014, Hand shall meet with the Town to establish a year-long editorial calendar (media map) for Town of Addison ads that will appear in the Weekly E-News electronic e-mail publication; the ads are as follows:

- (a) one portrait and position each for 26 weeks (Hand and the Town will consult with one another as to which weeks will be selected, but preference to the Town's choice of weeks will be given);
- (b) middle banner ad position each week for 13 weeks (Hand and the Town will consult with one another as to which weeks will be selected, but preference to the Town's choice of weeks will be given); and
- (c) in addition to (a) and (b) of this Section 12, three (3) additional portrait ads for the November (2014) - February (2015) quarter.

Add: Exhibit B Publishing Schedule for 2014-2015

## EXHIBIT B

### Quarterly Print Magazine Publishing Schedule

#### HOLIDAY/WINTER 2014-15

Space Reservation: October 10, 2014

Materials Deadline: October 17, 2014

Distribution Date: November 10 - 16, 2014

#### SPRING 2015

Space Reservation: January 16, 2015

Materials Deadline: January 23, 2015

Distribution Date: February 16 - 20, 2015

#### SUMMER 2015

Space Reservation: April 10, 2015

Materials Deadline: April 17, 2015

Distribution Date: May 11 - 15, 2015

#### FALL 2015

Space Reservation: July 10, 2015

Materials Deadline: July 17, 2015

Distribution Date: August 10 - 14, 2015

## **Combined Meeting**

**R2g**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute a contract with Cavanaugh Flight Museum Sponsorship for marketing support in an amount not to exceed \$50,000.

### **FINANCIAL IMPACT:**

The Communications and Marketing budget accounts for the annual contract of \$50,000.

### **BACKGROUND:**

Cavanaugh Flight Museum Sponsorship annual contract is a grant for the museum to help support marketing and public relations efforts for 2015.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

Grant Request 2015

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### **2014 was another successful year for the Cavanaugh Flight Museum**

For 2014, our primary focus was to increase museum membership and grow our event attendance with continued emphasis in "out of area" attendance growth.

To accomplish this goal the museum focused on continued growth on our major events and membership drives that included:

- The museum turned out to be a great location for hosting the 2014 NWOC (National Warbird operators Conference). The 500 attendees stayed at the Marriot Quorum hotel with an evening mixer at the museum that included warbird rides. In addition, Addison airport had 9 aircraft visiting for the event that purchased fuel from the local FBO's
- "Warbirds Over Addison," featuring the famous P-38 Lightning, "Glacier Girl," donated for our show by the Lewis Air Legends. Glacier Girl arrived on the Thursday before the show with great media attention and so much fanfare, the museum was able to create a special event Friday evening featuring Bob Cardin. Bob was responsible for excavating the P-38 out of 245 feet of glacier ice and then finally supervising the restoration of this WWII time capsule. Over 200 guests enjoyed Bob's presentation that Friday evening including private tours of the aircraft. In addition, the Saturday morning before the show, 34 photographers showed up from the CFM Photo Club to photograph Glacier Girl out of the hangar in the morning light. The show was praised by many as our best one yet and is becoming a staple in the community as one of the best warbird presentations in the area.
- "Kaboom town" proved to be another successful show for the museum. We had a record number of museum members attend the show. The museum contributed 15 aircraft that participated in the airshow including sponsoring an air combat sequence with our P-40 Warhawk and a Japanese "Kate" torpedo bomber. In addition, the museum hosted the event "headquarters" for all of the performers and support staff.
- The largest airshow in the world, "Air Venture" at Oshkosh, WI asked us to coordinate and participate in a Vietnam flying presentation that included two of our aircraft. For this honor, the museum painted its Skyraider in the original colors this aircraft had during the Vietnam War. We debuted the aircraft at Oshkosh in front of over 450,000 fans that attended Oshkosh this year. It was quite a thrill to hear "...aircraft of the Cavanaugh Flight Museum from Addison, Texas..." over the loud speaker as we flew for the crowds.
- The museum had the great privilege of hosting the 73<sup>rd</sup> and last AVG "Flying Tigers" reunion. In cooperation with event coordinator, ret. Col. Jack Bonds, brother of original AVG pilot Charlie Bonds, CFM brought in three very rare P-40 "Flying Tiger" Aircraft for the event luncheon including a flyover that brought tears to many in attendance. Attendees of the reunion stayed at the Inter Continental Hotel.
- Our second annual Fall Fly Days and car show attracted over 200 cars this year, a 32% increase over last year! In addition we had 5 visiting aircraft that flew for a crowd of over 2,800 through the weekend.
- 2014 saw a new membership drive to attract the aviation enthusiast and amateur photographers to the museum. The CFM photo Club takes advantage of monthly special events to photograph the aircraft out of the hangars in sunset or sunrise lighting.

### **Cavanaugh Flight Museum**

501(C) 3 Non-Profit Educational Organization - [www.cavflight.org](http://www.cavflight.org)  
Addison Airport, 4572 Claire Chennault, Addison, Texas 75001 (972) 380-8800

## 2014 report card

General attendance – 33,470  
Event attendance – 102% increase  
Event revenue – 15% increase  
Out of local area attendance – 11% increase to 30,490  
International attendance – 73% increase to 1,828  
Membership – 22% increase  
Opt-in email list - 67% increase  
Social media response – 26% increase in organic “likes”

Marketing/advertising high points 2014 (see addendum A for 2014 expense)

12 TV spots - 11,000,000 impressions  
Texas ranger opening day flyover – 33,000 impressions  
Texas Rangers program advertising – 2,299,341 impressions  
Texas motor speedway, 2 flyovers – 212,585 impressions  
Air Venture Airshow ‘Oshkosh’ – 482,000 impressions  
Dallas Cowboys program advertising – 704,345 impressions

2015 will focus on continued growth in the following areas:

- Increase attendance out of the local area
- Increase event revenue both in facility rentals and the museums’ events
- Increase utilization of museum aircraft for rides

### Objective one

This is our largest potential for growth. There are still a lot of people that do not know we exist outside of the metroplex. We will continue advertising with the Texas Rangers and Dallas Cowboys programs for 2015, we will be reaching out to corporate event planners as a great destination for visitors to the metroplex. In addition, working more directly with hotel chains at a regional level to set up programs that guest can take advantage of as part of their stay. We plan to continue advertising in the local travel guides, event websites and newspapers.

### Objective two

This will be a continued campaign to educate party, event and wedding planners that the museum is a great destination for a unique event. The museums efforts to create more in-house events continues to pay-off, getting more people to see what we have to offer. For example, events like or “Fly Days and Car Show” hosted in September of this year, exposed an estimated 1,200 people that would have otherwise not come to see the museum.

Changing the way the public perceives the museum and ways to utilize what we have to offer will continue by advertising in more wedding and family trade magazines as well as tradeshow that apply to the industry.


### Objective three

Marketing will be focused on reaching out nation wide, in aviation and warbird magazines, to let pilots and enthusiasts know that we have the largest variety of warbird rides in the country. New for 2015 will be advertising in the aviation, radio controlled magazines. This industry is a huge, untapped resource for museums to capture dollars from the aviation enthusiast.

Cavanaugh Flight Museum is requesting \$50,000 to help with our marketing efforts for 2015. Attached is a summary of our 2014 expenses as well as the projected budget for 2015.

Your support is crucial in our continued success as we look to make an even larger **impression** for Addison and the Cavanaugh Flight Museum in 2015.

Blue Skies,

  
Doug Jeanes  
Executive Director

**Addendum A**  
**Cavanaugh Flight Museum**  
**Advertising/Marketing Expense**  
**2014**

Local news papers	\$ 849
European Publications	1,190
Local TV event advertising	11,300
DFW Airport display	3,962
Travel publication	4,300
Social Media advertising	400
Kaboom Town Support	31,600
Creative	1,827
Trade show graphics	747
DFW hotel brochures	5,708
Warbird publications print and web	1,278
Local magazine	11,922
Sports advertising	13,500
Printing	1,528
Public Relations/marketing partners	48,379
 Total Expenditures	 <b>\$ 140,317</b>

**Cavanaugh Flight Museum**  
**Advertising/Marketing Expense**  
**2015**  
**Projection**

Local news papers	\$ 5,100
European Publications	2,300
Local TV event advertising	9,700
Trade shows	8,900
Travel publication	4,300
Social Media advertising	400
Ride program-advertising	10,000
Creative	4,000
Trade show graphics	1,500
Direct mail	6,000
Warbird publications print and web	1,800
Local magazine	7,500
Sports advertising	30,000
Printing	3,800
Public Relations/marketing partners	45,000
 Total Expenditures	 <b>\$ 140,300</b>

## Combined Meeting

R2h

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Infrastructure improvement and maintenance

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### **AGENDA CAPTION:**

Approval of a resolution authorizing the City Manager to accept and enter into a \$50,000 RAMP (Routine Airport Maintenance Program) Grant Agreement between the Texas Department of Transportation (TxDOT) and the Town of Addison, for airport improvements at Addison Airport.

### **FINANCIAL IMPACT:**

Funds are budgeted in the Airport Fund.

### **BACKGROUND:**

The Town of Addison annually receives a RAMP (Routine Airport Maintenance Program) grant administered by the Texas Department of Transportation (TxDOT), Aviation Department under the State Block Grant program. The grant is eligible for maintenance projects on the airport such as, pavement repairs, pavement markings, general maintenance, etc. This year staff has earmarked the grant to be used for improvements on Taxiway Sierra.

The grant will be a 50/50 matching grant, \$50,000 TxDOT Funds and \$50,000 Town of Addison Airport Funds. The funds required for the Town's share is budgeted and available in the Airport fund.

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

RAMP Resolution

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**Grant Agreement for Routine Airport Maintenance Program  
Funds (RAMP)**

**RESOLUTION**

**WHEREAS**, the Town of Addison, hereinafter referred to as Sponsor, intends to make certain improvement to the Addison Airport; and

**WHEREAS**, the general description of the project is described as: Airport Improvements (Taxiway Improvements & AWOS Maintenance); and

**WHEREAS**, the Sponsor is currently eligible for R.A.M.P. funds of \$50,000; and

**WHEREAS**, the Sponsor has available and will provide at least 50% of the project costs with local funds;

**NOW, THEREFORE, BE IT RESOLVED**, that the Sponsor hereby accepts R.A.M.P. funds from the Texas Department of Transportation for these improvements;

**AND, BE IT FURTHER RESOLVED**, that the Sponsor hereby directs Ron Whitehead, City Manager to execute on behalf of the Sponsor, at the appropriate time, and with the appropriate authorizations of this governing body, all contracts and agreements with the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Addison Airport.

\_\_\_\_\_  
Todd Meier, Mayor  
Town of Addison

\_\_\_\_\_  
Date

## **Combined Meeting**

**R2i**

**Meeting Date:** 10/28/2014

**Council Goals:** Implement bond propositions

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute a purchase agreement for a Utility and Sidewalk easement at 3939 Belt Line Road in the amount of \$8,013.00.

### **FINANCIAL IMPACT:**

Funds are available in the 2012 Belt Line Road Utility Undergrounding bond project.

### **BACKGROUND:**

In 2012, the citizens of Addison approved bonds to fund the undergrounding of the utilities on Belt Line Road. The project requires the acquisition of parcels of property along the roadway that consist, for the most part, of small areas to expand the current right-of-way or to accommodate the switch gear and transformer equipment needed for the project.

On March 11, 2014, the Council passed a resolution authorizing the City Manager to execute such instruments as may be necessary or required to document and to consummate the agreement and to cause the expenditure of city funds for the acquisition and related costs as long as the cost did not exceed the appraisal amount.

The initial offer and final offers for each property has been communicated to the property owners. The property owner at 3939 Belt Line Road has made a counter offer for the Town's consideration. The property owner agreed to the land valuation but objected to the value of the improvements. They obtained bids from local companies that reflect a total cost of \$6,028.00 for the improvements, which represents an increase of \$1,581.00 that was included in the Town's offer. The Town's initial total offer for the land value and the improvements was \$6,432.00. The property owner's counter offer is \$8,013.00 for a difference of \$1,581.00. In order to avoid costly eminent domain proceedings, staff recommends that the counter offer of \$8,013.00 be accepted.

### **RECOMMENDATION:**

Administration recommends approval.

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## Attachments

Property Counter Offer

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October 15, 2014  
AVO 29350

**NEXT BUSINESS DAY DELIVERY**

Lisa Pyles  
Director of Infrastructure Operations & Services  
Town of Addison  
16801 Westgrove Drive  
Addison, TX 75001

**RE: Town of Addison, Belt Line Road Project-Phase I  
Parcel 20R Property Address – 3939 Beltline Road**

Dear Lisa:

The landowner of the above referenced parcel was presented an initial offer of \$6,432.00 on August 15, 2014. This offer was based on an appraisal report prepared by Pyles Whatley Corporation dated January 25, 2014. The landowners have respectfully declined to accept the offer provided by the Town of Addison; however, they have submitted, and are willing to accept, a counteroffer in the amount of \$8,013.00.

Initial Offer:	<u>\$6,432.00</u>
Addition	<u>\$1,581.00</u>
Counteroffer:	<u>\$8,013.00</u>

The landowner is in agreement with the land value. However, they determined that the valuation of the improvements was not totally sufficient. Therefore, the landowner obtained bids from local companies that reflect a total cost of \$6,028.00 for the improvements for an additional amount of \$1,581.00.

It is the recommendation of Halff Associates, Inc. that the counteroffer be approved in order to avoid costly eminent domain proceedings and the additional time to obtain possession of the needed right of way. After the Administrative Settlement review of the Owner's counteroffer, please inform me of the approval or disapproval. Should you have any questions or comments, please call me at 214.346.6299 or 214.422-3218 (cell).

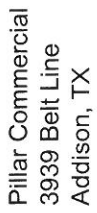
Sincerely,

**HALFF ASSOCIATES, INC.**

A handwritten signature in blue ink, appearing to read "Gary Leuba", is written over the printed name.

Gary Leuba, SR/WA, R/W-NAC  
Right of Way Specialist

Enclosures



Updated: Matt Briske - 10.10.14

Version 1.1\_11.13.13

	Amount
\$	4,995.74
\$	800.00
\$	-
\$	-
\$	-
\$	-
\$	-
\$	-
\$	-
\$	-
\$	5,795.74
\$	231.83
\$	6,027.57



2224 Parkhaven  
Plano, TX 75075  
972=816=6404  
Fax 972-758-9685

Date	Estimate #
9/29/2014	1088

Name / Address
3939 Matt Briske 3939 Belt Line Rd Addison Texas 75001

[illegible]

# ADMINISTRATIVE SETTLEMENT WORKSHEET

## PARCEL: 20R

1. Identify subject property location:		3939 Beltline Road, Addison, TX 75001 Northeast corner of Belt Line Road and Commercial Drive			
2. Identify Property Use:		Commercial Property			
3. Identify types and quality of tenants - such as commercial, etc.:		Office Building			
4. Identify:		Part to be Acquired Fee Simple		Part to be Acquired Permanent Easement	
a. parent property size (Acres/SF):		165,524 SF		SF	
b. parcel size (Acres/SF):		397 SF		SF	
c. remainder size (Acres/SF):		165,127 SF		SF	
5. Identify Shape of Parcel:		Triangular			
6. Identify whether Remainder has Access/Landlocked:		No denial of access			
7. Identify whether any bisected improvements:		None			
8. Identify proximity/distance to improvements in remainder:		unknown			
9. Identify Value of Whole Property in the Before:					
	SQ. FT.	10. OFFER	11. COUNTER	12. DELTA	% CHANGE
Land Value (Fee Simple):					
previously unencumbered				\$0.00	0.00%
previously encumbered	397	\$1,985.00	\$1,985.00	\$0.00	0.00%
Land Value (Easement):					
after imposition of easement					
previously unencumbered				\$0.00	0.00%
previously encumbered				\$0.00	0.00%
Total Land Value	397	\$1,985.00	\$1,985.00	\$0.00	0.00%
Unit Price		\$5.00	\$5.00	\$0.00	0.00%
Improvement Value		\$4,447.00	\$6,027.57	\$1,580.57	35.54%
Cost to Cure				\$0.00	0.00%
Damages Building				\$0.00	0.00%
Totals		\$6,432.00	\$8,013	\$1,580.57	24.57%
13. Identify Back-up information provided by owner: Bids for rework of exterior landscaping and relocation of lights/j-box					
Comparables: No					
Changes in adjustments: N/A					
Locations of comparables, etc.): N/A					
Other:					
14. Recommendation: Approve the Settlement					
15. Discussion: In my opinion, the owner's counter is reasonable and is supported by bids from local companies.					

## Combined Meeting

R2j

**Meeting Date:** 10/28/2014

**Council Goals:** Create raving fans of the Addison Experience.  
Maintain and enhance our unique culture of creativity and innovation.  
Fully integrate the Arts as part of our brand

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute with the World Affairs Council of Dallas/Fort Worth for consulting services, subject to the final review/approval of the City Manager and City Attorney.

### **FINANCIAL IMPACT:**

Service agreement is in the amount of \$35,000. Funding was included and approved in the FY 2015 budget.

### **BACKGROUND:**

What is the World Affairs Council: The World Affairs Council serves as a gateway to the world for our region, providing a wide array of opportunities for the public and its 4,000+ members. The non-profit, nonpartisan organization has presented hundred of speakers in recent years, including *Newsweek International* editor, CNN host and bestselling author Fareed Zakaria, rock star and humanitarian Bono, former President of Mexico Vicente Fox, The New York Times columnist Thomas Friedman, author Walter Isaacson, human rights activist Ayaan Hirsi Ali, as well as journalists, ambassadors, foreign affairs experts and other newsmakers from around the world. The WAC also administers the following programs:

- International Education Initiative, impacts more than 100,000 North Texas students annually
- U.S. Department of State-sponsored International Visitor Program
- City of Dallas Office of Protocol

### **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

World Affairs Council Agreement

World Affairs Council

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STATE OF TEXAS                   §  
   §                   CONSULTING AGREEMENT  
COUNTY OF DALLAS           §

This Festival Consulting Agreement (“Agreement”) is entered into by and between the Town of Addison, Texas (the “City” or “Addison”) and World Affairs Council of Dallas / Fort Worth (“World Affairs Council”) (the City and World Affairs Council are sometimes referred to herein together as the “parties” and individually as a “party”).

Recitals:

1. The City desires to conduct an international festival known as the “WorldFest: International Spotlight” (sometimes referred to herein as “WorldFest” and the “Festival”) at various times throughout the 2015 calendar year at various locations throughout Addison and the DFW Metroplex. Among other things, WorldFest: International Spotlight provides an opportunity to attract tourists to the City and educate the public on the many cultures that make up the North Texas region.
2. World Affairs Council is a non-profit corporation established under the laws of the State of Texas with a mission to promote international awareness, understanding and connections through its multifaceted programs. The Council works to enhance the region’s global stature and to prepare North Texans to thrive in our complex world.
3. Addison desires to retain the services of World Affairs Council, and World Affairs Council desires to provide its services to Addison, to facilitate the production of WorldFest: International Spotlight, as set forth herein.

**NOW, THEREFORE**, for and consideration of the above and foregoing premises, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the Town of Addison, Texas and World Affairs Council do contract and agree as follows:

1. **Term.** This Agreement shall be effective on January 1, 2015 (the “Effective Date”) and shall remain in effect through December 31, 2015 (the “Expiration Date”), subject, however, to the termination provisions of this Agreement.
2. **Services.** In connection with the 2015 WorldFest: International Spotlight, World Affairs Council will provide to the City the following non-exclusive services (“Services”):
  - A. International Business Development:
    - assist Addison in strengthening its International Business Focus;
    - work with Addison to form relationships with countries who maintain a global presence. Targeted countries will include but are not limited to Mexico, Canada, Brazil, China, India, the UAE, Japan, Switzerland, the United Kingdom;
    - Assist Addison to develop strategy on marketing its airport to international businesses; and

- plan, organize, execute and co-host at least two (2) forums/luncheons in Addison with the Town of Addison focused on international business/tourism/trade during the funding year.

B. Entrepreneur Development:

- recommend the Addison TreeHouse as a regional entrepreneur resource center to international entrepreneurs/groups interested in the North Texas Start-up Community.

C. Provide members of the Addison Council with opportunities to participate in international events:

- make recommendations on events that may be appropriate for members of the Council to attend;
- provide passes to Addison to such events (subject to the Charter and ordinances of Addison; and
- recognize member of the City Council present at events from podium when appropriate.

D. Feature the Town of Addison as a participant:

- recognize Addison as a participant in World Affairs Council website; and
- recognize Addison as a participant in designated events hosted by World Affairs Council.

E. Consulting Services:

- provide consulting services on how to respond to issues having an international focus;
- provide cultural consulting awareness services on how to appropriately address dignitaries from particular countries; and
- work with the Town of Addison to plan and to execute a new authentic German program element for the Town's annual Oktoberfest event in collaboration with the German Consulate in Texas.

**Performance Reports** – World Affairs Council shall provide to the City following or at the end of the second, third, and fourth calendar year (2015) quarters (or portion thereof, as applicable) while this Agreement is in effect, a report (“Performance Report”) regarding the work and activities of World Affairs Council for the calendar year quarter immediately prior to the date the report is provided, including, without limitation, (i) all marketing activities of World Affairs Council, (ii) a report on expenses and the payment thereof (e.g., payments to performers, other third parties, and proof of such payment), (iii) a report regarding the activities of World Affairs Council as to all other of the above and foregoing Services. The Performance Report for the (a) second calendar year quarter shall be provided by June 30, 2015, (b) third calendar quarter shall be provided by September 30, 2015, and (c) fourth calendar quarter shall be provided by December 31, 2013. Each such report shall be in form and content satisfactory to the City, and World Affairs Council shall provide supporting information for its report, including any supporting information as the City may reasonably request. Upon the expiration or

earlier termination of this Agreement, World Affairs Council shall provide such report to the City not later than the 25th day following the Expiration Date or the date of termination, as applicable, and the obligation to provide such report shall survive the expiration or earlier termination of this Agreement.

In connection with the Services, World Affairs Council warrants and represents to the City that:

- 1) World Affairs Council has the skills, qualifications, expertise, experience and financial capability necessary to perform the Services with a high degree of quality and responsiveness;
- 2) The Services and work will be provided in a professional and timely manner, consistent with the commercially accepted best practices and standards;
- 3) The Services shall comply with all applicable federal, state or local statutes, ordinances, laws, rules, standards, codes and regulations;
- 4) World Affairs Council: (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and shall remain in good standing throughout the term of this Agreement; (ii) it has the requisite power and authority to carry on its business as it is now being conducted; (iii) it has the legal capacity to enter into this Agreement; and, (iv) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been authorized and approved by all action required on the part of World Affairs Council; and
- 5) The execution and delivery of this Agreement by World Affairs Council does not: (i) conflict with, or result in any violation or breach of, any provision of the World Affairs Council's charter documents; (ii) result in any violation or breach of, or constitute a default under, or require a consent or waiver under, any of the terms, conditions or provisions of any license, contract or other agreement to which World Affairs Council is a party; or (iii) materially conflict with or violate any franchise, license, judgment, order, statute, law, rule or regulation applicable to World Affairs Council.

All Services shall be provided by World Affairs Council in cooperation and coordination with the City Staff, and in particular with the Addison Director of Special Events (the "Director"). Any and all promotional or other materials regarding the Festival which are to be prepared, given or delivered by World Affairs Council shall be first presented to the Director for the Director's review and approval prior to the public dissemination of any such materials. Standardized language agreed upon by both parties prior to any public dissemination thereof may, after such agreement, be disseminated in World Affairs Council materials without prior review of those materials. Prior to solicitation of any entertainers, activities and other vendors, World Affairs Council shall use its reasonable efforts to first obtain the pre-approval of the Director regarding such solicitation; however, the parties hereto recognize that World Affairs Council may not be able in all

instances to obtain the pre-approval of the Director prior to a solicitation, and in such event World Affairs shall nevertheless, in conducting any solicitation, abide by and comply with such communication standards as the Director shall establish. The Services shall be provided by World Affairs Council in a professional manner. In identifying, selecting, and recommending entertainers, activities, and vendors pursuant to this Agreement, and in performing all of its Services hereunder, World Affairs Council understands and recognizes that the Festival is for entertainment purposes only, is a family oriented and family-friendly, is not a religious or political event (and is not an event that promotes or suggests any religious or political agenda), and World Affairs Council will perform its Services hereunder in accordance therewith.

3. **Compensation.** For the Services provided by World Affairs Council in accordance with the terms and conditions of this Agreement and subject to the termination provisions of this Agreement, the City will pay World Affairs Council a fee as follows:

The City will pay World Affairs Council Thirty-Five Thousand and No/100 Dollars (\$35,000.00), to be paid in four installments as follows: (1) the first installment (“first installment”) of \$8,750.00 shall be paid by March 1, 2015, (2) the second installment (the “second installment”) of \$8,750.00 shall be paid by June 1, 2015, (3) the third installment (the “third installment”) of \$8,750.00 shall be paid by September 1, 2015, and (4) the fourth installment (the “fourth installment”) of \$8,750.00 shall be paid upon (i) the completion of the Festival (that is, upon completion of all of the Services), and (ii) the satisfactory performance as reasonably determined by the City of all of the Services by World Affairs Council, including, without limitation, the timely receipt by the City of the December (for the last quarter of 2015) Performance Report and all performance reports to be provided prior thereto, in form and content reasonably acceptable to the City (upon the satisfaction of the said (i) and (ii), payment of the fourth installment shall be by no later than January 31, 2016).

4. **Termination.**

- A. *Without cause.* Either party may terminate this Agreement at any time by giving to the other party at least 30 days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination or upon the expiration of this Agreement, all finished or unfinished data, studies, reports and other materials and items (whether kept electronically, in writing, or otherwise) prepared by World Affairs Council shall be and become the property of the City and World Affairs Council shall promptly deliver such items to the City.
- B. *With cause.*
- (i) If (a) World Affairs Council fails to perform any of World Affairs Council’s duties or responsibilities as reasonably determined by the City, or (b) if World Affairs Council fails to fulfill in a timely and professional manner World Affairs Council’s obligations under this Agreement, or (c) if World Affairs Council shall violate any of the terms or provisions of this Agreement (the said (a), (b) and (c) being referred to together in this paragraph as a “Failure”), or (d)

if World Affairs Council, World Affairs Council's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the City, as determined reasonably but solely by the City, then the City shall have the right to terminate this Agreement effective immediately upon the City giving notice thereof, either oral or in writing, to World Affairs Council.

- (ii) Notwithstanding the foregoing subparagraph B.(i), with respect to a Failure, such right of termination shall not be exercised by the City unless and until a Failure remains uncured by World Affairs Council for a reasonable period of time (as determined by the City) after notice thereof (which notice shall specifically identify the Failure) from the City is received by World Affairs Council.
  - (iii) If the City's termination of World Affairs Council for cause is defective for any reason, including but not limited to the City's reliance on erroneous facts concerning World Affairs Council's performance, or any defect in notice thereof, the City's maximum liability shall not exceed the amount payable to World Affairs Council under Section 3 above.
- C. In the event of termination or upon the expiration of this Agreement, all finished or unfinished data, studies, reports and other items (whether kept electronically, in writing, or otherwise) prepared by World Affairs Council shall be and become the property of the City and World Affairs Council shall promptly deliver such items to the City.
- D. If this Agreement is terminated in **March, 2015**, World Affairs Council shall promptly reimburse the amount of the first installment to the City. If this Agreement is terminated: (i) in **April, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$4,375.00; (ii) in **May, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$2,157.50. If this Agreement is terminated in **June, 2015**, World Affairs Council shall promptly reimburse the amount of the second installment to the City. If this Agreement is terminated: (i) in **July, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$4,375.00; (ii) in **August, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$2,157.50. If this Agreement is terminated in **September, 2015**, World Affairs Council shall promptly reimburse the amount of the third installment to the City. If this Agreement is terminated: (i) in **October, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$4,375.00; (ii) in **November, 2015**, World Affairs Council shall promptly reimburse to the City the sum of \$2,157.50. Following such termination, World Affairs Council shall be entitled to no further payment or compensation hereunder. The reimbursement obligation set forth herein shall survive the termination of this Agreement.

If this Agreement is terminated in the month of December, 2015, World Affairs Council shall be entitled to payment of a ratable portion of the fourth installment for Services properly performed hereunder, as reasonably determined by the City.

5. **Relationship of Parties.** World Affairs Council is and shall be during the entire term of the Agreement an independent contractor, and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, a joint enterprise, or to allow the City to exercise discretion or control over the professional manner in which World Affairs Council performs the Services which are the subject matter of the Agreement; provided always however that the Services to be provided by World Affairs Council shall be provided in a manner consistent with all applicable standards, regulations, and laws governing such Services.
6. **Insurance.** At all times in connection with this Agreement, World Affairs Council shall purchase and maintain in a company or companies lawfully authorized to do business in Texas such insurance coverages as set forth below:
- |    |  |  |
|----|--|--|
| a. | Commercial General Liability:                      | \$1,000,000.00                               |
| b. | General Aggregate                                  | \$1,000,000.00                               |
| c. | Product/Completed Operations Aggregate             | \$1,000,000.00                               |
| d. | Personal & Adv. Injury                             | \$1,000,000.00                               |
| e. | Per Occurrence                                     | \$1,000,000.00                               |
| f. | Medical Coverage                                   | \$ 5,000.00 (any one person)                 |
| g. | Liquor Liability Endorsement                       | \$1,000,000.00 (if selling beer and/or wine) |
| h. | Fire Liability (any one fire)                      | \$ 50,000.00                                 |
| i. | Statutory Limits of Workers Compensation Insurance |  |

All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas, (ii) name the Town of Addison as an additional insured and contain a waiver of the subrogation endorsement in favor of the Town of Addison, (iii) endorsed to read as primary coverage regardless of the application of other insurance, (iv) contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the Town of Addison, and (v) include coverage for the period of time including the Festival days as well as set-up days (usually one day before and one day after the event). Certified copies of all such policies shall be delivered to Addison upon the execution of this Agreement, but in any event no later than two weeks prior to the event; provided, however, that Addison, in its sole discretion and in lieu of certified copies of such policies, may permit the delivery of certificates of insurance (listing each insurance coverage described and required herein) together with the declaration page of such policies, along with a copy of the endorsements necessary to meet the requirements and instructions contained herein, including, without limitation, the endorsement naming the Town of Addison as an additional insured, and shall specifically set forth the notice of cancellation and termination provisions to the Town of Addison. Each such policy shall provide that it shall not be canceled without at least 30-days written notice thereof being given to the Town of Addison. Coverage for Products/ Completed Operations must be maintained at least two (2) years after this Agreement is terminated in its entirety, including any renewal thereof or extensions thereto.

7. **Records.** World Affairs Council shall keep complete and accurate records for the Services performed pursuant to this Agreement and any records required by law or government regulation and shall make such records available to City upon request. World Affairs Council shall assure the confidentiality of any records that are required by law to be so maintained. World Affairs Council shall prepare and forward such additional or supplementary records as City may reasonably request.
8. **Notice.** For purposes of this Agreement, if written notice or other communication is given, such notice or other communication shall be in writing, addressed as provided hereinafter to the party to whom the notice or request is given, and shall be either (i) delivered personally, (ii) sent by United States certified mail, postage prepaid, return receipt requested, or (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight. Notice shall be deemed given: when received if delivered personally; seventy-two (72) hours after deposit if sent by mail; and twenty-four (24) hours after deposit if sent by Federal Express or other nationally recognized carrier. Addresses for notice are as follows:

To the City:  
Town of Addison, Texas  
5300 Belt Line Road  
Dallas, Texas 75254-7606  
Attn: Chris Terry

To World Affairs Council:  
World Affairs Council  
325 N. St. Paul Street, Suite 4200  
Dallas, TX 75201  
Attn: Jim Falk

The addresses and addressees for the purpose of this Section may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received the last addresses and addressee stated by written notice, or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

9. **Reports Confidential.** No reports, information (either in writing or oral), documents, or other materials given to or prepared by World Affairs Council under this Agreement which the City requests in writing to be kept confidential, shall be made available to any individual or organization by World Affairs Council without the prior written approval of the City.
10. **Authority to Execute.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.
11. **Ownership of Reports.** The reports, documents and materials prepared by World Affairs Council under or pursuant to this Agreement shall be the sole property of the City.
12. **Assignment.** Inasmuch as this Agreement is intended to secure the specialized services of World Affairs Council, World Affairs Council has no authority or power to and may not assign, transfer, delegate, subcontract or otherwise convey any interest herein without the prior written consent of the City, and any such assignment, transfer, delegation, subcontract

or other conveyance without the City's prior written consent shall be considered null and void *ab initio*.

13. **Rights and Remedies Cumulative; Non-Waiver.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. The failure by either party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement for any reason whatsoever, including with respect to any such right, power or option or to such compliance or to any other or subsequent default or breach hereof, nor a waiver by either party of its rights at any time to exercise any such right, power or option or to require exact and strict compliance with all the terms hereof. Any rights and remedies either party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement.
14. **Applicable Law; Venue.** In the event of any action under this Agreement, exclusive venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Contract; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.
15. **Enforceability.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
16. **Force Majeure.** In the event either the City or World Affairs Council shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of fire, casualty, strikes, lockouts, labor trouble, inability to procure materials or supplies, failure of power, governmental authority, riots, insurrections, war or other reason of like nature, where such delay, hindrance or prevention of performance shall not be within the reasonable control of the party obligated to perform and not be avoidable by diligence, the party so delayed shall promptly give notice to the other party, and thereupon performance of such act shall be excused for such period of delay.
17. **No Third-Party Beneficiaries.** This Agreement and all of its terms and provisions are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.
18. **Incorporation of Recitals.** The above and foregoing Recitals to this Contract are true and correct and are incorporated herein and made a part hereof for all purposes.

19. **Construction of Certain Terms.** Section and subsection headings herein are for convenience only and shall not be used in interpretation of this Agreement. The words “includes” and “including” are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.
20. **Severability.** The sections, paragraphs, sentences, phrases, words, and all other provisions of this Agreement are severable, and if any part of this Agreement is determined by a court of competent jurisdiction to be illegal, unlawful, unconstitutional, or void for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect. In lieu of any such illegal, unlawful, unconstitutional, or void provision, the parties agree to seek to negotiate to add to this Agreement another provision that would be permitted that is as close to the intent of the original provision as possible.
21. **Entire Agreement and Modification.** This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. No changes, amendments or alterations shall be effective unless in writing and signed by both parties.

**SIGNED** by each of the respective parties on the date set forth below.

**TOWN OF ADDISON, TEXAS**

**WORLD AFFAIRS COUNCIL OF  
DALLAS FORT WORTH**

By: \_\_\_\_\_  
Chris Terry, Assistant City Manager

By: \_\_\_\_\_  
James N. Falk, President and CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

World Affairs Council/Town of Addison  
2014-15 Scope of Services  
Draft 10-19-14  
Level of Funding: \$35,000

1. International Business Development(\$15,000): A. Assist Addison in strengthening its International Business Focus. B. Work with Addison to form relationships with countries who maintain a global presence in the town. Targeted countries will include but are not limited to Mexico, Canada, Brazil, China, India, the UAE, Japan, Switzerland, the United Kingdom. C. Plan, organize, execute and co-host at least two (2) forums/luncheons in Addison with the Town of Addison focused on international business/tourism/trade during the funding year. D. Assist Addison to develop strategy on marketing its airport to international businesses.		
Item	Date	Accomplishment/Milestone
2. Entrepreneur Development(\$2,000): A. Recommend the Addison TreeHouse as a regional entrepreneur resource center to international entrepreneurs/groups interested in the North Texas Start-up Community.		
Item	Date	Accomplishment/Milestone
3. Provide Town of Addison Council Members with opportunities to participate in international events(\$7,000): A. Make recommendations on events that may be appropriate for Addison City Council to attend. B. Provide complimentary passes to City Council Members to such events. C. Recognize City Council present at events from podium when appropriate.		
Item	Date	Accomplishment/Milestone
4. Feature the Town of Addison as a strategic partner(\$5,000): A. Recognize Addison as a partner in World Affairs Council website. B. Recognize Addison as a partner in designated events hosted by World Affairs Council.		
Item	Date	Accomplishment/Milestone

5.	Consulting Services(\$5,000): A. Provide consulting services on how to respond to issues having an international focus. B. Provide cultural consulting awareness services on how to appropriately address dignitaries from particular countries. C. Plan, organize and execute a new authentic German program element to the Town's annual Oktoberfest event in collaboration with the Town of Addison and the German Consulate in Texas.	
Item	Date	Accomplishment/Milestone

**Combined Meeting**

**R3**

**Meeting Date:** 10/28/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Presentation and proclamation recognizing November Pulmonary Hypertension Month.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R4**

**Meeting Date:** 10/28/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Presentation and proclamation honoring Terry Martin, Producing Artistic Director of WaterTower Theatre.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R5**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.

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**AGENDA CAPTION:**

Presentation from Kanter Financial Forensics, LLC and discussion regarding the Town's financial and accounting practices.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Mr. Larry Kanter will be presenting his report to Council at the Council Meeting.

**RECOMMENDATION:**

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**Attachments**

Addison Report

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October 23, 2014

Honorable Mayor Todd Meier  
And Members of the Town Council  
Town of Addison, Texas  
5300 Belt Line Road  
Dallas, Texas 75254-7606

## INTRODUCTION

Pursuant to Addendum #1 to our Engagement Letter dated April 23, 2014, we are submitting this *Second Set of Recommendations* regarding the operations, policies, procedures and internal controls over the Town's accounting and finance functions. This *Second Set of Recommendations* is being provided as a guide and is not intended to provide all of the details associated with the implementation of each recommendation. *The footnotes are an integral part of this report and should be carefully reviewed.*

We are happy to discuss each individual recommendation in depth, answer any questions, address any concerns and, of course, stand ready to assist you and the Town's staff in any way we can.

## EXECUTIVE SUMMARY

In our *First Set of Recommendations*, we discussed issues surrounding PURCHASING, PROCUREMENT & ACCOUNTS PAYABLE PROCESSING, BANKING, FIXED ASSETS, PAYROLL, CASH RECEIPTS PROCESSING AND STAFFING. In this *Second Set of Recommendations*, we are providing recommendations in the area of CONTRACTING, the OKTOBERFEST SPECIAL EVENT, and COMPLIANCE MONITORING. Among other things, our work detected poor oversight over the contracting function, including a failure to tie the amounts billed by vendors back to the contracts; inadequate or poorly documented controls over the Oktoberfest ticket sales and cash collection process; and reconciliations prepared for the Oktoberfest event that were based on unreliable data. **These inadequacies make the Town vulnerable to experiencing instances of fraud, waste and/or misapplication of assets. Further, these deficiencies also mean that it would be difficult for the Town to detect instances of fraud, waste and/or misapplication of assets should they be occurring.**

## CONTRACTING

### Recommendations

- Purchasing Manual – in October 2013, the Town completed a new Purchasing Manual. For the most part, the Purchasing Manual is a well-written document. The Manual should be revised where needed to incorporate the changes related to purchasing/contracting/invoice payment processing contained in our *First and Second Set of Recommendations*. Most importantly, the Manual should be adopted and vigorously enforced.
- Purchasing Manual Training - We recommend that as soon as practicable, each and every Town employee receive Purchasing Manual training that is appropriate for his or her position.
- Purchasing Ethics - Accompanying the issuance of the Purchasing Manual was an “Acknowledgement Form” to be signed by each employee and placed in the employee’s personnel file. The Acknowledgement includes, among other things, a representation by the employee that violations of Town purchasing policies and procedures subject the employee to disciplinary action. This is an important tool for setting management’s expectations. An executed Acknowledgement Form (supported by relevant training and communications) should be obtained from each Town employee as soon as practicable.
- Vendor Selection – The Purchasing Manual offers extensive guidance in the area of vendor selection and the criteria used to judge bids. We suggest that anyone on the vendor evaluation committee be required to read and re-familiarize himself or herself with the guidance regarding vendor selection contained in the Purchasing Manual, prior to each contract evaluation. In addition, the evaluation process itself should be carefully documented and properly maintained.
- Purchasing/Contracting Software – In our analysis of contract files, it appeared that the files were poorly organized. A variety of software tools are currently available that will automate the organization and management of vendor relationships. It is our understanding that Bid Sync has a module that assists with the organization and monitoring of vendor contracts and that Town staff is currently studying possible software tools for this function.
- Vendor Invoicing – As discussed in detail below, the Town does not require vendors to provide invoices that match the cost categories contained in the vendor’s contract. The Town should require vendors to invoice the Town in a



manner that can be tied directly to the contract.

- Vendor Oversight and Management – Invoices should be compared to vendor contracts prior to payment. Payment should not be authorized unless the invoice price, quantity and quality are in agreement with the contract. When authorized deviations occur, the reason for the deviation should be noted on the face of the invoice from the vendor (or in the vendor's file) so that a proper audit trail is maintained.
- Compliance Monitoring – In order to be an effective policy, the directives found in the Purchasing Manual should be monitored and enforced. The Town should contract with a CPA firm to provide an outsourced Internal Audit Function to perform periodic compliance monitoring. This firm should report to the Finance Committee of the Town Council and include the Town Manager. Under no circumstances should the internal audit firm report directly to Town Management.
- Employee Accountability – Employees who do not follow the Purchasing Manual Policies should be properly coached as to the importance of the policies set forth in the Purchasing Manual. Repeat offenders should be prevented from participating in the Town's purchasing and vendor payment function and dealt with according with the Town's personnel performance policies.

#### Basis for Recommendations

The Town has a well-written and comprehensive Purchasing Manual. This document was developed with the help of an outside consultant and provided policy and procedure directives covering PROCUREMENT, CONTRACT ADMINISTRATION, ETHICS, VENDOR INSURANCE AND P-CARDS. Among other things, the form requires each employee to acknowledge the Town's Code of Ethics. Unfortunately, the Purchasing Manual and accompanying acknowledgement were not communicated to employees until September 2014.

In early October 2014, the first meeting regarding the Purchasing Manual was held. It is our understanding that approximately 60 employees attended the meeting. Although we did not attend the meeting, we understand that employees from a variety of staff levels and from a variety of departments attended the meeting. Providing training to employees based on their job responsibilities is essential. Providing the same training to a laborer in the Parks Department as an employee who administers purchasing for the Police Department is probably not an effective approach. It is critical that 100% of the Town's employees understand the Town's policies *as they relate to their*



**assignments** and to execute the Purchasing Manual Acknowledgement form based on a clear understanding of their obligations.

A full year delay in rolling out the Purchasing Manual is an exceedingly long lead-time and possibly sends a counterproductive “Tone at the Top” message to Town employees. In addition, the lack of obtaining signed Acknowledgement Forms from each and every employee also sends a less than constructive message to the Town’s employees. Upon completion of the training, each employee should be required to execute the Acknowledgement form and as stated on the form, the executed document should be placed in the employee’s personnel file.

To determine the current state of the Town’s Contracting environment we reviewed several contracting files and selected two vendor contracts and related invoices for analysis.<sup>1</sup> We made the following observations during the course of our work:

- Some bids were received through the Bid Sync system and some were apparently received manually via mail or hand delivery. It is our understanding that in some cases, vendors who are sought out are not part of the Bid Sync system and are submitting bids manually. The Town should take steps to insure that vendors submitting bids are judged on equal terms, regardless of the mechanism for submission.
- We noted that the criteria used for vendor selection might not always be sufficiently linked to the products or services being procured. For example, is it necessary to include the geographical location of the vendor in the selection process? We noted that for a printing contract, the geographic location (i.e. miles from Addison) was a factor, however none of the vendors submitting proposals were within the Town of Addison. Using local Addison businesses may be a valid factor, however, when all the businesses submitting a bid are outside of the Town’s Limits, it becomes somewhat of a questionable factor when one bidder is a few more miles from Addison than another.<sup>2</sup>
- Regarding the printing contract, we noted that the list of items used in the evaluation of the bids received did not necessarily correlate with the items being purchased from the vendor. And when the items did correlate, the prices paid did not seem to match the amounts in the bid.

The following is the bid entered into the Bid Sync system for the printing contract.

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<sup>1</sup> Our selection was *not* based on a statistically valid random sample and the procedures employed should not be considered an audit.

<sup>2</sup> We understand that in most situations where printing services are required, the “print job” is electronically sent to the printer and the printer delivers the results to the client. However, in some cases, the “print job” is electronically sent to the printer and the printer delivers the results to the client.



**BIDSYNC**[Home](#)[Search](#)[Bids](#)[Orders](#)[Tools](#)[CRM](#)[Agency List](#)[Support](#)[Logout](#)

## Offer Received

[View Offer Report](#)

### Offer(s) on Bid 13-24

Listed below is your offer information. Click on the "Return to Offer" button below to return to the bid information screen.

#### YOUR OFFER(S)

##### Line Item

13-24--01-01	<a href="#">Business Cards</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.116	Qty/Unit 250 / each Attachments	Total Amount \$29.00
13-24--01-02	Notes for Buyer <a href="#">Business Cards</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.069	Qty/Unit 500 / each Attachments	Total Amount \$34.50
13-24--01-03	Notes for Buyer <a href="#">Letterhead</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.0795	Qty/Unit 1,000 / each Attachments	Total Amount \$79.50
13-24--01-04	Notes for Buyer <a href="#">Envelopes (no window)</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.055	Qty/Unit 1,000 / each Attachments	Total Amount \$55.00
13-24--01-05	Notes for Buyer <a href="#">Envelopes (window)</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.059	Qty/Unit 1,000 / each Attachments	Total Amount \$59.00
13-24--01-06	Notes for Buyer <a href="#">Personalized Notepads</a> <a href="#">[Edit]</a> Product Code	Unit Price \$4.0833	Qty/Unit 12 / each Attachments	Total Amount \$48.9996
13-24--01-07	Notes for Buyer <a href="#">Black and white copiese on white 20 lb paper</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.035	Qty/Unit 1 / each Attachments	Total Amount \$0.035
13-24--01-08	Notes for Buyer <a href="#">Color copies on white 20 lb paper</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.29	Qty/Unit 1 / each Attachments	Total Amount \$0.29
13-24--01-09	Notes for Buyer <a href="#">Comb binding</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.69	Qty/Unit 1 / each Attachments	Total Amount \$0.69
13-24--01-10	Notes for Buyer <a href="#">Coil binding</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.79	Qty/Unit 1 / each Attachments	Total Amount \$0.79
13-24--01-11	Notes for Buyer <a href="#">Inline tape binding</a> <a href="#">[Edit]</a> Product Code	Unit Price \$0.89	Qty/Unit 1 / each Attachments	Total Amount \$0.89

1.

2.

2.



The following is an invoice received pursuant to the print contract.

Invoice	
No: 81681	Date: 05/07/14
SHIP TO:	
< Same as Bill To >	
Deliver 5/5/2014	
Fax:	
<b>Accounts Payable</b> <b>Town Of Addison</b> <b>P.O Box 9010</b> <b>Addison TX 75001-9010</b>	

Acct.No	Ordered by	Phone	P.O. No	Prepared by	Sales Rep	Ship Via
1500			Visit	Steven	SSM	Deliver
Quantity	Description					Price
1,000	Visit Addison Letterhead 1 Original (1 side)					344.28
500	Visit Addison Formal Envelopes 1 Original (2 sides)					129.00
500	Visit Addison Foldover Note Card Envelope 1 Original (1 side)					272.44
500	Visit Addison Foldover Note Card 1 Original (1 side)					257.71
500	Visit Addison Catalog Envelopes 1 Original (1 side)					321.26
250	Business Cards-Bob Phillips 1 Original (1 side)					29.00
250	Business Cards-Rodrigo Valles 1 Original (1 side)				612	29.00
250	Business Cards-Keila Fairbanks 1 Original (1 side)					29.00
600	Notepads-Bob Phillips 1 Original (1 side)					49.00
600	Notepads-Rodrigo Valles 1 Original (1 side)				612	49.00
600	Notepads-Keila Fairbanks 1 Original (1 side)					49.00
1	Set-up New Stationary 1 Original					42.75

- 1.
- 2.
- 3.

Several items are noteworthy:

1. The invoice reflects 1,000 Visit Addison Letterhead billed at \$344.28 while the bid appears to indicate that 1,000 letterheads should cost \$79.50.
2. The invoice reflects 500 Visit Addison Formal envelopes billed at \$129.00 while the bid appears to indicate that 1,000 envelopes should cost either \$55.00 or \$59.00, depending on whether there is a window.



3. The invoice contains a Set-up charge of \$42.75 for new stationary while no such item was located in the bid provided by the vendor in the Bid Sync System.

While there may be valid explanations for the departures from the bid, no information was found in either the contract file or the paid invoice file that would explain the departure. In addition, as we analyzed other invoices from the same vendor, it became apparent that many of the items purchased from the vendor were not part of the bid. We suggest that all bid requests be based on the items commonly purchased by the Town and be weighted and judged based on the largest dollar items. In addition, for this contract, it appeared that other bidders submitted bids that had substantially higher costs than the winning bidder, calling into question whether the bidder chosen could actually deliver based on the amounts bid.

The other contract selected for analysis was for marketing services. This vendor apparently had a master contract and, as required in the master contract, separate agreements for additional services. The master contract was for special event marketing and economic development marketing. Several other agreements were located that covered a variety of additional services including but not limited to the restaurant guide, brand roll-out, e-blast newsletter, rebranding, visitor guide, and other marketing related tasks.

This vendor has been paid in excess of \$700,000 since October 1, 2011. **We found it virtually impossible to tie the invoices received from this vendor back to the contract or agreement from which they originated.** This is because the invoices from the vendor were not presented in a way that permitted the invoice to be tied to the agreements.

The following was extracted from a 20-page Re-branding project agreement dated October 18, 2012. The contract was for services to be billed at \$135 per hour with a not-to-exceed amount of \$56,825.

**PROFESSIONAL FEES AND EXPENSES**

The professional fees for this Project are detailed below.

DISCOVERY .....	\$25,000
INSIGHT .....	\$9,500
CREATIVE.....	\$ 20,300
LAUNCH PLAN .....	\$ 2,025
TOTAL .....	\$56,825

**OUT-OF-POCKET EXPENSES**

In addition to the professional fees outlined above, \_\_\_\_\_ will invoice the client monthly for actual related out-of-pocket expenses incurred including, but not limited to postage, courier fees, proof preparation, report preparation and binding, demographic services, analyst reports and travel, including airfare, lodging, meals, rental cars, taxis, mileage reimbursement at the then prevailing Internal Revenue Service mileage rate and parking.

**ADDITIONAL WORK**

\_\_\_\_\_ (whether on its own or through \_\_\_\_\_) will, as may be requested by Client from time to time, also support the marketing efforts of other Town of Addison departments and special projects. Additional Work includes work not included within the scope of The Work I. Special Event, II. Economic Development and III Marketing departments. It also includes all other Town of Addison projects.

Specific estimates for all Additional Work will be provided on a project by project basis after complete project scope is defined and prior to initiation of work. All estimates will be provided based on the \_\_\_\_\_ hourly rate of \$135.

This work will be estimated by \_\_\_\_\_ and agreed to in writing and signed by both parties prior to project inception.




We were unable to find any invoice that was easily traceable back to the relevant contract or agreement. Often, the invoices located appeared like the following invoice:

Invoice

**Invoice #:** 22624  
**Invoice Date:** 8/21/2014  
**Due Date:** 8/21/2014  
**Job #:** 348-ADD-Brand Launch Produc...  
**P.O. Number:**

**Bill To:**  
 TOWN OF ADDISON  
 PO Box 9010  
 Addison, TX 75001-9010

Description	Qty	Rate	Amount
Re-Brand Brand Standards	1	1,800.00	1,800.00
Copies, Fax, Art Supplies, Archiving	1	25.00	25.00
 11-614-56040-00000			
Thank you for your business!		<b>Total</b>	\$1,825.00
		<b>Payments/Credits</b>	\$0.00
		<b>Balance Due</b>	\$1,825.00

Remit to: Dallas, Texas 75201  
 P.O. Box: Fax:  
 Phone: 214-

We are not sure if the above invoice was for services provided under the referenced agreement. In spite of the contract requirement, we found only a few invoices that were billed on an hourly rate basis. Based on our discussions with the Director of Marketing, we learned that no procedures are employed by her department that ties invoices back to contracts. **The lack of consistency between contracts and invoicing puts the Town at significant risk of being overcharged by vendors.**



## OKTOBERFEST SPECIAL EVENT

### Recommendations

- Admission Tickets – All admission tickets (pre-sales, on-line, on-site and complementary) should be bar coded with a unique tracking number. Each and every admission ticket should be electronically scanned upon a guest's entrance into the event. Valid tickets that are not, for whatever reason, electronically scanned should be retained by the entrance gate staff and manually counted and reported on a form submitted to the Finance Department.
- Admission Ticket Tracking – Admission ticket stock should be logged as to ticket number range and issued to ticket sellers by the Finance Department staff. This *Ticket Tracking* log should contain the Finance Department staffer's name and the name of ticket seller, the date and time of issuance and number range of the tickets issued (the ticket range logging could be accomplished by scanning a barcode on each box of tickets). Each ticket seller should then sign the log (in ink), accepting responsibility for the tickets received and confirm the range of ticket numbers received. These *Ticket Tracking* logs should be retained by the Finance Department staff in a secure location, inaccessible to ticket sellers. Upon the completion of each ticket seller's shift, unsold tickets and their corresponding number ranges should be returned to the Finance Department staff, recorded on the *Ticket Tracking* logs and signed as returned by both the ticket sellers and the Finance Department staff member receiving the tickets. Additional tickets issued to the ticket sellers during their shift should also be logged and signed for in the same manner as the original issuance of tickets.
- Admission Ticket Reconciliation – Periodically, throughout the event day, the report of tickets scanned should be matched to the *Ticket Tracking* log. To insure all processes are properly working, significant differences (such as gaps in ranges of tickets scanned versus the ranges of tickets issued to ticket sellers) should be investigated immediately and steps taken to correct errors in scanning or ticket sales practices. Each evening, tickets sold as reported on the Ticket Tracking log and scanning logs should be reconciled to the cash turned-in by the ticket seller. Significant discrepancies should be immediately investigated.
- Admission Ticket Cash Management – As cash is periodically removed from the ticket seller's tills during the event day, the ticket seller should be temporarily taken off-line. A Finance Department staff member should count all cash being removed under the observation of the ticket seller. We recommend the use of a two-part form where the Finance Department staff



member and the ticket seller notate the amount of cash and cash equivalents being removed. Once both parties are in agreement as to the amount being removed, they should both sign the form with the Finance Department staff member storing the signed original with the cash being removed and the ticket seller retaining a copy. The ticket seller's copy should be retained by the ticket seller and delivered directly to the Town Manager's office by the next business day. These control copies will then be available for review should any questions arise during the event reconciliation process. The Town Manager's office should retain the signed forms at least until all reconciliations are completed.

- Complementary Tickets – we identified at least \$21,000 of TastyBuck Tickets that were apparently given away. As of the date of this report, we have not received information that describes who received these tickets or the process by which they were distributed. In addition, an unknown number of free admission tickets were also identified. At this time, we are unable to quantify the total dollar impact of the complementary admission tickets. While a certain number of complementary admission tickets are to be expected, the \$21,000 in complementary TastyBucks are a direct out-of-pocket cost to the Town. Strict controls should be placed on complementary tickets.
- TastyBuck Tickets – the Town should immediately begin investigating methods to improve the Tasty Buck sales and vendor payment processes. Potential solutions include allowing pre-sales via the internet with or without slight price discounts for advance purchase, the use of ATM type machines, electronically scannable tickets, or some other system.<sup>3</sup>
- TastyBuck Ticket Reconciliation – the TastyBuck ticket reconciliation process should be re-engineered, depending upon the revisions to the ticket sales process. The current reconciliation process is flawed in a number of ways and should be re-engineered before the next event.<sup>4</sup>
- TastyBuck Ticket Redemption – TastyBuck tickets are presented for payment to the Town's Special Event Manager and Court Clerk by the vendors at the conclusion of the event. Redemption should be moved to the Finance Department to provide separation of duties between vendor contracting and vendor payment. In addition, The Court Clerk should also not be involved in the payment of vendors as she supervises the TastyBuck sales and cash

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<sup>3</sup> Possible new solutions for TastyBuck ticket sales and management are outside the scope of this engagement.

<sup>4</sup> Re-engineering the reconciliation process is dependent upon the TastyBuck ticket sales and management system eventually chosen.



collection function during the event.

- Special Event Vendor Payment – Upon presentation of tickets by vendors, TastyBuck tickets are weighed. Ticket counts are determined by the weight of the tickets.<sup>5</sup> After the amounts owed are calculated, checks are requested from the Finance Department. In the event that the Town decides to continue weighing tickets, we suggest that the ticket weighing and payment calculation process be more thoroughly documented. Currently, the Town is relying on the weight of a batch of 300 tickets to calibrate the ticket counts. This process is poorly documented. Going forward, we suggest that each sample weighed be logged as to weight, ticket count and ticket condition. The index weights used should then be logged as each vendor's ticket batches are weighed. The condition of each ticket batch weighed should also be logged. Clear recording of vendor name, batch number, batch condition, index weight used, extrapolated ticket count, Addison commission percentage and final payment amount will provide transparency and an audit trail for the vendor payment process.
- Final Cash & Cash Equivalent Reconciliations – The quality of the final event reconciliation is directly proportional to the quality of the data that underlies the reconciliation. The quality of data used as a starting point for the reconciliations should be improved. Notwithstanding the enormous amount of time and effort that went into the preparation of the Oktoberfest reconciliations by the Finance Department staff, the reconciliations are based on flawed, incomplete and poorly collected data so they are therefore, unreliable<sup>6</sup>.
- Event Profit and Loss Statement – The Town should prepare a Profit and Loss statement for each special event. This analysis should contain 100% of the revenues and costs associated with the event. Although we understand that the profitability of each event is factored into the Town's budget, we believe an accounting of revenues and expenses that capture all costs and expenses should be prepared at the conclusion of each special event. The information contained in such a report will be a valuable management tool.

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<sup>5</sup> Based on interviews with Barbara Kovacevich and Chris Terry, we understand that tickets are evaluated for authenticity and tampering. The Town staff sorts all tickets presented by vendors and removes tickets from other events such as the State Fair of Texas or Grapefest. Ticket counts of valid and dry tickets are calculated based on the weight of a sample of 300 tickets. Wet or damp tickets are sampled, weighed separately and assigned a new count based on the weight of the sample.

<sup>6</sup> It is important to note that the Final Cash and Cash Equivalent Reconciliation we reviewed for the 2014 event were a significant improvement over the Final Cash and Cash Equivalent Reconciliation provided to us for the 2013 event. The 2013 event's reconciliation was missing numerous components.



### Basis for Recommendations

The processes and procedures employed at Oktoberfest were observed on Friday, September 19, 2014. Areas specifically observed included the main gate entrance, TastyBuck sales tents and the Finance Department cash collection area. Information about processes was also obtained from Chris Terry, Barbara Kovacevich and Eric Cannon.

Preliminary and final ticket reconciliations were briefly analyzed.<sup>7</sup> However, we believe that certain data, upon which the reconciliations are based, is unreliable. The following is a brief summary of some of the issues noted during our analysis of the Oktoberfest Event Reconciliations:<sup>8</sup>

- Admission Tickets QR Code – Tracking was provided through the use of a QR code. The admission tickets did not contain a unique tracking number. Without a unique ticket number, there is no way to trace a ticket scanned back to the ticket seller and a single ticket can be scanned multiple times without detection.
- Unreliable Electronic Ticket Scanners – Admission ticket QR Codes were scanned using iPhone scanners that were apparently negatively impacted by bright sunlight. This made it difficult and often impossible to scan the Admission ticket QR Codes. Despite the best efforts of the scanning staff, at certain times the staff was forced to allow guests to enter without scanning the QR Code. This results in a potential undercount of attendance.
- Complementary Admission Tickets – It appears that the reconciliation uses ticket counts that include complementary admission tickets for which no funds were received. Accordingly, dollars collected were reconciled to ticket counts for which no funds were collected. This would render the over/short computation in the reconciliation to be inaccurate.
- TastyBuck Reconciliations<sup>9</sup> – Nightly reconciliations of TastyBucks ticket sales by tent to cash collected at the tent were apparently prepared by the tent supervisor. During the event day, the tent supervisor was also removing cash from the ticket seller's tills and replacing the cash with a "voucher" reportedly equal to the amount removed from the till. Unfortunately, these "vouchers" were not logged or accounted for in any way and were controlled

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<sup>7</sup> No audit of the Oktoberfest reconciliations was performed.

<sup>8</sup> This is not intended to be a complete list.

<sup>9</sup> We have not been provided with a reconciliation that compares the TastyBuck ticket sales to the amounts paid to the vendors. This is a significant outstanding item.



exclusively by the person performing the nightly reconciliations. In addition, the TastyBuck tent reconciliations were completed by the tent supervisor, some in pencil. This lack of segregation of duties, coupled with nightly tent reconciliations that contained erasures, scratch outs and use of uncontrolled “vouchers” makes it theoretically possible for the tickets sold to be artificially matched to the cash deposited rather than the cash collected.

## **COMPLIANCE MONITORING**

### Recommendations

- Adopt the COSO Framework – as discussed in our previous presentations to the Town Council, management should actively and enthusiastically adopt the COSO Framework, including a robust internal audit process. We recommend that the Town contract with a CPA firm to perform routine internal audit functions on the Town’s processes and to embrace and engrain the COSO Framework in the Town’s day-to-day operations and management. For the Town of Addison, we believe this to be a process as well as a cultural issue that can only be accomplished through strong Tone at the Top messaging and actions.
- Fraud or Whistleblower Hotline – the Town should establish a Fraud or Whistleblower Hotline to provide a mechanism for employees, contractors, residents or other interested parties to report instances of potential waste, fraud or abuse.

### Basis for Recommendations

During the course of our work, it has become clear that historically, the Town has not encouraged an environment that values internal controls. As previously stated, a well functioning system of internal controls starts with the Tone at the Top. We have found nothing to indicate that the Town has historically had a Tone at the Top focused on a well functioning system of internal controls. In fact, it appears that the opposite has been true in that the design of financial controls was often left up to individual employees with little or no oversight and that proper segregation of duties was systemically discouraged.

As previously discussed COSO, the Committee of Sponsoring Organizations of the Treadway Commission established a framework for an effective system of Internal Controls. The formal adoption of the COSO framework, including its integration by Town management in day-to-day operations and routine communication to the Town’s employees will help the Town better manage its resources, obtain more accurate information for decision making, reduce the potential for losses and reduce



the Town's exposure to internal control failures. The following chart represents the COSO Internal Control Framework:

<b>Control Environment</b>	<ol style="list-style-type: none"> <li>1. Demonstrates commitment to integrity and ethical values</li> <li>2. Exercises oversight responsibility</li> <li>3. Establishes structure, authority and responsibility</li> <li>4. Demonstrates commitment to competence</li> <li>5. Enforces accountability</li> </ol>
<b>Risk Assessment</b>	<ol style="list-style-type: none"> <li>6. Specifies suitable objectives</li> <li>7. Identifies and analyzes risk</li> <li>8. Assesses fraud risk</li> <li>9. Identifies and analyzes significant change</li> </ol>
<b>Control Activities</b>	<ol style="list-style-type: none"> <li>10. Selects and develops control activities</li> <li>11. Selects and develops general controls over technology</li> <li>12. Deploys through policies and procedures</li> </ol>
<b>Information &amp; Communication</b>	<ol style="list-style-type: none"> <li>13. Uses relevant information</li> <li>14. Communicates internally</li> <li>15. Communicates externally</li> </ol>
<b>Monitoring Activities</b>	<ol style="list-style-type: none"> <li>16. Conducts ongoing and/or separate evaluations</li> <li>17. Evaluates and communicates deficiencies</li> </ol>

### SUMMARY COMMENTS

Our recommendations are based primarily on interviews of members of the Town's staff, limited analysis of documents, personal observations and best practices. Detailed testing of transactions was outside the scope of this engagement. Our engagement did not involve an audit, review, compilation, Internal Control Review or attest service as those terms are defined by the American Institute of Certified Public Accountants. Further, our procedures were not designed to detect fraud or non-compliance with laws, contracts or regulations nor were they designed to detect the misapplication of assets.

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/s/ Kanter Financial Forensics, LLC

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October 23, 2014



## **Combined Meeting**

**R6**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.

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### **AGENDA CAPTION:**

Discussion and take action regarding approval of an agreement with Kanter Financial Forensics, LLC for the review of the Town's financial and accounting practices.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

Mr. Larry Kanter will provide the proposal on Monday.

### **RECOMMENDATION:**

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## **Combined Meeting**

**R7**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.

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### **AGENDA CAPTION:**

Discussion, consider and take action regarding the approval of and authorizing the City Manager to execute a Work Authorization #2 under the Master Professional Services Agreement with Gradient Solutions Corporation for implementation of data analysis and alerts associated with the Town's purchasing card program.

### **FINANCIAL IMPACT:**

Implementation plus ongoing costs will amount to \$20,500.

### **BACKGROUND:**

In April 2014, the Town executed an agreement with Gradient Solutions Corporation to provide financial consulting services by performing a review and assessment of the Town's processes of risk identification and control monitoring, including a review of processes to assess business risks, a review of management systems and internal controls, including debt, investments, budget, internal financial reporting, payroll, cash handling, and purchasing card program, a review of audits, and to develop plans and recommend any corrective actions.

Gradient Solutions Corporation will implement data analysis and alerts associated with the Town's purchasing card program. These alerts will provide management with a vital component of ongoing internal controls to continually monitor the purchases on a monthly basis to ensure compliance by all cardholders.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

Gradient Work Authorization No 2

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**Town of Addison  
Work Authorization No. 2  
Continuous Monitoring of Transactions and Controls,  
Purchasing Card Alerts and Optional Services**

This Work Authorization is made as of this 28th day of October, 2014, under the terms and conditions established in the MASTER PROFESSIONAL SERVICES AGREEMENT dated as of July 24<sup>th</sup>, 2014, between The Town of Addison ("Client") and Gradient Solutions Corporation. This Work Authorization is made for the following purposes consistent with the Services defined in the Master Professional Services Agreement:

**Section A. – Scope**

**Description of Services**

- Data analysis and alerts associated with Client's purchasing card program, the use of which will be provided to the Client during the term of this arrangement, including:
  - The identification of relevant purchasing card alerts for monthly updating
  - Mapping of the identified alerts to the available data to create up to 10 agreed upon alerts
  - Publication of the alerts on a hosted ACL GRC server
  - Assist Client with incorporating alerts into their ongoing continuous monitoring program

**Objectives**

- Create and make available alerts for Client purchasing card program to assist management with their oversight of the purchasing card program.
- Provide a vital component of Client's ongoing internal controls continuous monitoring program.
- Assist Client to encompass the alerts in the decentralized purchasing card administration across the departments.

**Key Tasks**

- Agree on alerts to be provided. Gradient has several suggestions to begin with, but Client will want to add to this information to tailor the alerts to Client objectives and needs.
- Publish alerts at the beginning of each month based on availability of the data.
- Assist Purchasing in developing a process to distribute excel based reports to department managers who are responsible for their departments' administration of card use.

**Town of Addison**  
**Work Authorization No. 2**  
**Continuous Monitoring of Transactions and Controls,**  
**Purchasing Card Alerts and Optional Services**

**Staffing**

Resources proposed for this project will include Gradient employees and a subcontractor who assists with Gradient's database administration and hosting.

**Section B. – Schedule**

- Begin work on approximately November 1, 2014, with an expected completion date in approximately 3 to 4 weeks from the date the appropriate and complete transactional data is provided.
- Upon receipt of the provided monthly data file, alerts will be published within seven business days.

**Section C. – Compensation and Expenses:**

- Monthly publication and cleansing fee – \$1,500 a month
- Set up and transition one-time fee - \$2,500. This fee includes initial set up, navigation training for users, and up to 8 hours of assistance over the first 3 months of service (through January publication of December data) in tailoring the alerts and incorporating the alerts into Client monthly monitoring practices.
- Out of pocket expenses for travel mileage and tolls to Client site will be billed, as incurred.
- Changes or additions to the data fields that require modification to the database and alerts will be charged on an hourly basis. Any work required under this provision will be first agreed upon with the Client before any work is performed.
- Optional Purchasing Card analytic dashboard, using Tableau Software, \$500 a month plus a one-time setup fee of \$3,000.
- Additional consulting services at \$275 per hour.

**Section D. – Client's Responsibility**

Client shall perform and / or provide their responsibilities in a timely manner so as not to delay the Services. Our current expectation of Client responsibilities include:

**Town of Addison**  
**Work Authorization No. 2**  
**Continuous Monitoring of Transactions and Controls,**  
**Purchasing Card Alerts and Optional Services**

- Make key managers and personnel available to collaborate with Gradient in developing the purchasing card program measurements and alerts and for any optional services.
- Collaborate with Gradient on steps to incorporate the measurements and alerts and other services into the Town's continuous monitoring processes.
- Client is responsible for the data integrity of the provided data and will quality control data files prior to submission to Gradient.
- Client is responsible for the review and evaluation of the results.
- Provide requested purchasing card data at the end of each month in an agreed upon format and time period.

**Section E. – Other Provisions**

- This engagement does not constitute procedures, work, examinations, or any other similar steps in accordance with Generally Accepted Auditing Standards, the Institute of Internal Audit Standards, Government Accountability Office Standards, or any other authoritative body. Thus Gradient's engagement does not constitute an audit, compilation, review, attestation service, or fraud examination. Gradient is not a public accounting firm. Had additional work been performed, other matters of significance beyond those noted in this assessment might have been identified.
- This engagement does not entail assessment of the employees' capabilities in performing their identified tasks.
- This project does not involve the implementation of process improvements.
- Grant intermediate access of two employees to the ACL GRC hosted environment.
- ACL GRC is a third-party software that facilitates our alert process and is a product of ACL. Gradient does not oversee or validate security for ACL GRC. More information about ACL GRC can be located here - <http://www.acl.com/solutions/products/acl-grc/>. ACL has a current SSAE 16 (Service Organization Control) report prepared by a third party auditor. This report is a comprehensive assessment of the internal controls and information security related to the ACL GRC service. If the Client wants to review the SSAE 16 report, Gradient will request from ACL GRC a copy of the report on behalf of the Client.
- The parties agree to the following provisions with respect to this specific Work Authorization:

**Town of Addison  
Work Authorization No. 2  
Continuous Monitoring of Transactions and Controls,  
Purchasing Card Alerts and Optional Services**

- Except to the extent expressly modified herein, all terms and conditions of the Master Professional Services Agreement shall continue in full force and effect.
- The Risk Allocation – Article XI of the Master Professional Services Agreement will be limited to two months of the monthly publication and cleansing monthly fee.

**Town of Addison**

By: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Gradient Solutions Corporation**

By: Calvin E. Webb II

Signature: \_\_\_\_\_

Title: President & CEO

Date: \_\_\_\_\_

## **Combined Meeting**

**R8**

**Meeting Date:** 10/28/2014

**Council Goals:** Mindful stewardship of Town Resources.  
Maintain and enhance our unique culture of creativity and innovation.  
Look for Operational Efficiencies without cutting services

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### **AGENDA CAPTION:**

Presentation, discussion, consider and take action approving and authorizing the City Manager to execute a contract with Tyler Technologies for the purchase and installation of a ERP (Enterprise Resource Planning) system in the amount of \$1,530,908 subject to the final review and approval of the City Manager and City Attorney.

### **FINANCIAL IMPACT:**

**Total cost of the system:** \$1,530,908

**Budgeted amount:** \$1,600,000

We have looked at two different models offered by Tyler Technologies which included purchasing the system or using the software on a subscription basis, (SaaS, Software as a Service). Based on our comparison the 15 year cost of the SaaS model is more expensive than purchasing/owning our own system.

We evaluate and replace/upgrade this system every 15 years. This item is budgeted in the Information Technology Replacement Fund.

### **BACKGROUND:**

The existing Enterprise Financial System has been in operation since 1998 and it has been upgraded a few times since then. This system was mainly designed to support the Finance department functions/operation and had minimal features built in it to offer a holistic solution for the entire organization.

Almost 1 1/2 year ago, we created a selection committee to look into replacing the existing system. The selection committee was comprised of a liaison from each department. As a result, we drafted and released a RFP and through that process, Tyler Technologies was selected as the final candidate.

Tyler Technologies is the one of largest software company in the nation solely focused on providing integrated software and technology services to the public sector including cities, counties, states and school districts.

Their focus is in area of Appraisal & Tax, Court & Justice, ERP Financial, Planning, Permitting and Licensing, Public Safety Records & Documents and School districts.

Following are some of the features offered by their ERP system:

- Abridged, user-friendly views and access to data via the role-tailored dashboard.
- Central programs help you minimize the number of screens and locations from which you pull your essential financial information. They allow you to choose which fields of information are visible as well as organize the locations of panels on the screen. You can also view overviews of key information, charts and graphs for visual representations of data and detailed records.
- Forecasting and analysis tools for accurate and successful strategic planning.
- Complete integration with Tyler's electronic document management system.
- Advance role based security.
- Detailed audit trails.
- Integrated Utility Billing portal that will allow information to be reflected real-time.
- Account customer inquiry program is a central launching point with access to other key areas with Utility Billing system. It is a valuable tool for customer service representatives to use for account and customer-related inquiries.
- Benefits Enrollment Monitor gives HR users dynamic way to post enrollment information for employees online, visually track who has enrolled and who hasn't and send reminder notifications.
- Employee record can list assets assigned that need to be collected upon termination.
- Ability to setup workflow rules and flows.
- Contract Management Module – create and approve contracts, including multi-year. Encumbers the appropriate funds in advance. Activity tied to contract can be tracked.
- Bid Management Module – Analyze and compare vendor response to bids. Vendors can mail their bids to the requesting site or enter their bid information using Tyler's Vendor Self Service portal. Once bid is awarded it is electronically transferred to Purchase orders and can be turned directly into vendor contracts.
- Ability to import procurement card purchases into the system.
- Budget MLS (Modified Level of Services) can be entered in and applied as budget request through the system.
- Built in Positive Pay ability. No need for third party software.
- Checks are generated from within the system.
- Electronic plan submission and review.
- Social media capability for community development initiative and status

updates.

- GIS (Geographic Information System) integration.
- Ability to track animal licenses.
- Ability to have online Special Events Arts and Crafts applications.
- Syncs with Outlook calendar.
- Maintain consistent rules and workflow for court dates, fines, judgments, print documents and more.
- Eliminate tracking cases that need a warrant.
- Control Center provides a single at-a-glance view of court activities. At the same time, Tyler provides a true, live courtroom docket based on your court rules to create a smooth, continuous "courtflow."
- A complete financial and collection system is integrated into the court software. It can support a variety of payment scenarios, including partial payments, payment plans or multiple payments on one receipt. Cash, surety and PR bonds, as well as jail and community service credit, can all be managed through the payment system.
- More than 80 standard reports are built into the court system, including all state-mandated reports, reports for dockets, warrants, officers, offenses, racial profiling, statistical and many more.
- Data exchange with other cities.
- Ability to redact documents. Based on security, users can be restricted to the information they see.
- Warrant Interface that let officers know warrant is clear.
- Portal for attorneys for online records search. Login and password protected.
- Save all files in the same location regardless of format. It accepts tiff, PDF, photos, electronic forms, emails and Microsoft file formats.
- Web Interface.
- eCommerce – For public access documents that are billable, eCommerce accepts credit card payments and provides a subscription service to users.
- Tyler Forms – merge application data with template and electronic form designs.
- Tyler Go Docs – electronic method of document output via email, fax or file achieve.

## **RECOMMENDATION:**

Administration recommends approval.

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### **Attachments**

Comparison between SaaS and Hosted Models

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CURRENT ANNUAL MAINTENANCE COSTS					
		Annual	Year 5	Year 10	Year 15
Harris					
	GEMS	\$59,938.00	\$331,195.29	\$753,893.72	\$1,293,375.94
	GOVERN	\$10,643.00	\$58,809.29	\$133,866.51	\$229,660.65
	CAFR	\$1,341.00	\$7,409.87	\$16,866.95	\$28,936.85
	Unisys	\$1,711.00	\$9,454.36	\$21,520.77	\$36,920.92
	AP Technology	\$245.00	\$1,225.00	\$2,450.00	\$3,675.00
Court System		\$16,000.00	\$88,410.10	\$201,246.28	\$345,257.02
Laserfiche	Document Management	\$22,000.00	\$121,563.89	\$276,713.64	\$474,728.40
GHG	Timesheets	\$7,200.00	\$39,784.55	\$90,560.83	\$155,365.66
E-ISG	Asset Management	\$2,835.00	\$15,665.16	\$35,658.33	\$61,175.23
Pervasive	Data Conversion	\$2,878.00	\$15,902.77	\$36,199.17	\$62,103.11
PerfectForms	Electronic Forms	\$3,420.00	\$17,100.00	\$34,200.00	\$51,300.00
Red Salsa	Web Portals	\$12,999.00	\$64,995.00	\$129,990.00	\$194,985.00
<b>TOTAL MAINTENANCE COSTS</b>		<b>\$141,210.00</b>	<b>\$771,515.28</b>	<b>\$1,733,166.20</b>	<b>\$2,937,483.78</b>
	<b>DIFFERENCE</b>				

## **Combined Meeting**

**R9**

**Meeting Date:** 10/28/2014

**Council Goals:** Create raving fans of the Addison Experience.  
Mindful stewardship of Town Resources.  
Maintain and enhance our unique culture of creativity and innovation.  
Define, measure, evaluate, and improve success for all Town businesses  
Brand Protection and Enhancement  
Infrastructure improvement and maintenance  
Look for Operational Efficiencies without cutting services

---

### **AGENDA CAPTION:**

Discussion, consider and take action approving and authorizing the City Manager to execute a Professional Services Contract with M.E.P. Consulting Engineers, Inc. (MEPCE) for the Town of Addison's Facilities Assessment, Facility Capital Improvement Plan and Operations & Maintenance plan in an amount not to exceed \$65,000.

### **FINANCIAL IMPACT:**

The funding for the Facilities Assessment Program was approved by Council in the 2014/15 Budget as a General Services department MLS (modified level of service).

### **BACKGROUND:**

The Town of Addison's municipal facilities have an age span from 1939 to 1991 and most recently, the completion of the new Elevated Water Storage Tower in 2013. With the exception of the new water tower, staff brought forward the need to perform a comprehensive facilities assessment for all of our facilities during the FY 15 budget process that will establish a condition and operational baseline as well as provide for maintenance, operations and capital improvement planning for our facilities.

Staff is recommending M.E.P. Consulting Engineers, Inc. (MEPCE) to provide a comprehensive facility assessment for sixteen (16) Town buildings varying in age, size, and type of construction, height, occupancy use sensitivity and condition. With the goal of improving financial planning for required maintenance and capital needs for our buildings as well as improving the buildings performance and reducing overall operating costs, staff plans to implement a Facilities Assessment, CIP and O&M Program.

## **Facilities Assessment Services**

- Review existing applicable buildings as built and other maintenance manuals, plans, etc.
- Building Site Surveys with no destructive condition assessments of visible and accessible building envelope systems components with photographs and reports for each building.
- Building Envelope Infrared Surveys (IR) for sixteen (16) Town buildings.

## **Assessment Scope**

- Mechanical, electrical, plumbing, fire alarm, fire protection systems
- Building interior; walls, floors, ceilings, coverings/coatings,
- Building exterior; roofs windows, doors, coatings & sealants, and
- Facility site; ADA ramps and restrooms
- Preparation of CIP, O&M documentation for recommended improvements in the next subsequent fiscal years.

## **Deliverables**

- Facility assessment condition report per building including existing conditions, photographs, issues requiring attention and remediation recommendations.
- Operations and Maintenance cost report for each building including projected maintenance and capital costs.

## **RECOMMENDATION:**

Administration recommends approval.

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**Combined Meeting****R10****Meeting Date:** 10/28/2014**Council Goals:** Create a vision for the airport to maximize the value  
Infrastructure improvement and maintenance

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**AGENDA CAPTION:**

Presentation of the current status of the Instrument Landing System at Addison Airport and the redevelopment of the Airport's Southeast Quadrant.

**FINANCIAL IMPACT:**

There is no financial impact.

**BACKGROUND:**

Staff will brief the council concerning the latest developments in the possible upgrading of the Instrument Landing System at Addison Airport and the redevelopment of the Airport's Southeast Quadrant..

**RECOMMENDATION:**

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**Combined Meeting**

**R11**

**Meeting Date:** 10/28/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Discussion and update regarding Extended Stay Hotels in Addison.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Staff will provide an update.

**RECOMMENDATION:**

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**Combined Meeting****ES1****Meeting Date:** 10/28/2014**Council Goals:** N/A

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**AGENDA CAPTION:**

Closed (Executive) session of the Addison City Council pursuant to Section 551.074, Texas Government Code, to deliberate the evaluation of the City Manager.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting****ES2****Meeting Date:** 10/28/2014**Council Goals:** N/A

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**AGENDA CAPTION:**

Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R12**

**Meeting Date:** 10/28/2014

**Council Goals:** N/A

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**AGENDA CAPTION:**

Discussion, consider and take action regarding the ponds or lakes within the City at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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